

Children's Services Council of Broward County Finance Committee Meeting

March 1, 2021; 2:00pm

Loc: Virtual/Zoom

Agenda

- | | | | |
|------|--|-----------------|---|
| I. | Welcome and Introductions | | Paula Thaqi, Committee Chair |
| II. | Approve Finance Committee Minutes from June 8, 2020 | (Tab 29) | Paula Thaqi |
| III. | Auditor's Required Communications | | Enrique Llerena, CPA
Caballero, Fierman, Llerena & Garcia, LLP |
| IV. | Review FY 20 Draft Comprehensive Annual Financial Report (CAFR) | (Tab 30) | Monti Larsen, COO and
Enrique Llerena, CPA |
| V. | Discussion of Current Financial Position and Possible Programs Initiatives | (Tab 31) | Cindy Seltzer, President/CEO |
| VI. | General & Members' Comments | | Paula Thaqi |
| VI. | Adjourn | | |

TAB 29

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Joint Finance & Program Planning Committee Meeting

Virtual Zoom Webinar
June 8, 2020 @ 3:00 p.m.

Minutes

CSC Members in Attendance:

Governor Appointee Cathy Donnelly (PPC Committee Chair); Governor Appointee David H. Kenton; DCF Community Development Administrator Dawn Liberta; Governor Appointee Tom Powers; Health Department Director Paula Thaqi, M.D. (Finance Committee Chair)

Staff in Attendance:

Cindy Arenberg Seltzer, President/CEO; Monti Larsen; Sandra Bernard-Bastien; Maria Juarez; Kathleen Campbell; Amy Jacques, Angie Buchter; Sue Gallagher; Laura Ganci; Marlando Christie; Andrew Leone; Michelle Hamilton

Guests in Attendance:

None

Agenda:

I. Call to Order:

Dr. Thaqi called the meeting to order at 3:04 p.m.

II. Finance Committee Minutes:

ACTION: Mr. Powers made a motion to approve the February 10, 2020, Finance Committee meeting minutes as presented. The motion was seconded by Ms. Donnelly and passed with no opposing votes.

III. Program Planning Committee (PPC) Minutes:

ACTION: Ms. Liberta made a motion to approve the February 10, 2020, PPC meeting minutes as presented. The motion was seconded by Ms. Donnelly and passed with no opposing votes.

IV. Revenue Update:

Ms. Arenberg Seltzer provided the Committee with an overview of the updated revenue projections based upon the receipt of the preliminary property values which reflected an increase of 4.7%. She presented scenarios of either keeping the millage rate flat at 0.4882 or rolling the millage rate back to 0.4623 which would produce the same amount of revenue as last Fiscal Year. As staff estimated a 4% increase in preparation for the May Budget Retreat, she noted that the draft budget is in a good place. If Members decide to leave the millage rate flat, the draft budget approved in May balances; but if they decide to go to the roll-back rate, there would be a \$5.2 million shortfall. In response to a question from Dr. Thaqi about the impact on the average homeowner, she explained she had not yet recalculated that impact with the new numbers but in

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May the estimated impact was approximately \$5.70 for a home at the taxable value of \$375,000 and a \$50,000 exemption.

The scenario chart also takes into consideration a possible decrease in property values in the out years of 2021-2024 due to the economic havoc caused by COVID-19 and Members discussed how that should factor into future planning and sustainability of programming, as well as determining whether to keep the millage rate flat or at the roll-back rate. Ms. Arenberg Seltzer emphasized the importance of maintaining a robust Fund Balance to assist with the possible economic downturn in the out years. She also made a point of not knowing if the collection rate will continue with recent trends of 95% collection, or if the fallout from the Pandemic will result in a higher rate of uncollectable taxes, which would impact the budget. In addition, she added that underutilization may not be as bad as originally projected in May, as most of the CSC-funded providers are finding ways of providing services in some capacity, whether in-person or virtually.

Mr. Powers stated his preference for the roll-back millage rate.

V. Discussion of Uncertain Community Needs & Impact on FY 20/20 Budget:

Ms. Arenberg Seltzer led a discussion on the uncertainty of community needs in the months to come, such as expanded trauma services and families struggling with basic needs, all of which would likely require additional CSC investment beyond that which is currently included in the budget. While CSC is clearly not the only source of funding for these services there will be an expectation of our participation in community partnerships especially in order to ensure families stay healthy and strengthened. Therefore, she increased the “Unallocated” line in the budget to \$1.1 million to allow for the flexibility to respond as the needs arise.

Mr. Powers requested that staff compile a report documenting CSC’s trauma work at Eagle’s Haven and through the Broward Behavioral Health Coalition to help inform the expansion of trauma services to the wider community. He stated he wanted to see what worked well and what didn’t. Ms. Arenberg Seltzer said she would do her best to get the information for the June meeting but given the short turnaround time it might have to wait for the August Council meeting. She did caution that the expanded trauma services would vary amongst the communities based on the needs and experiences of each community as conveyed to CSC through the ongoing community resiliency conversations and internal analyses; and therefore, would not necessarily be a cookie-cutter approach or an exact replica of Eagles’ Haven.

VI. Draft Tentative FY 20/21 Budget:

Ms. Arenberg Seltzer presented the Draft Tentative Budget for FY 20/21, noting that the Frederick A. DeLuca Foundation has agreed to fund the Tier 2 recommendations from the Youth FORCE RFP. This revenue and related expenditures are not reflected in this draft budget, nor was the Title IVE revenue for Legal Representation, as this amount has yet to be received. It is anticipated that any revenue generated through the Title IVE will be appropriated for expansion of that program. She noted that the performance pay for staff was folded into their salaries as directed by the Council last November and included a 1.5% COLA for the upcoming fiscal year. Otherwise, most administrative budget line items remained level with the exception of CRA and Property Appraiser fees, which are out of the control of the Council.

ACTION: Ms. Donnelly made a motion to recommend approval to the full Council the draft tentative FY20/21 Budget, as presented. The motion was seconded by Ms. Liberta and passed with one opposing vote from Mr. Powers.

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ACTION: Ms. Liberta made a motion to recommend approval to the full Council the tentative millage rate and authorize staff to adjust the budget based upon the Property Appraiser's final report and submit the necessary forms to the appropriate officials, as presented. The motion was seconded by Dr. Kenton and passed with one opposing vote from Mr. Powers.

VII. General & Member Comments

Ms. Arenberg Seltzer raised the suggestion of issuing a statement regarding CSC's commitment to undoing racism. Mr. Powers cautioned against speaking about police actions as that is outside of CSC's scope. Mr. Kenton asked why there would even be a question as to CSC issuing a statement given the clear and consistent role CSC has taken on this issue over the last several years. There was a consensus that the CEO should draft and release a statement which affirms CSC's commitment to undoing racism and highlights the actions CSC has taken to date.

There were no further Member comments.

The meeting adjourned at 4:13pm.



For Finance Committee Meeting

March 1, 2021

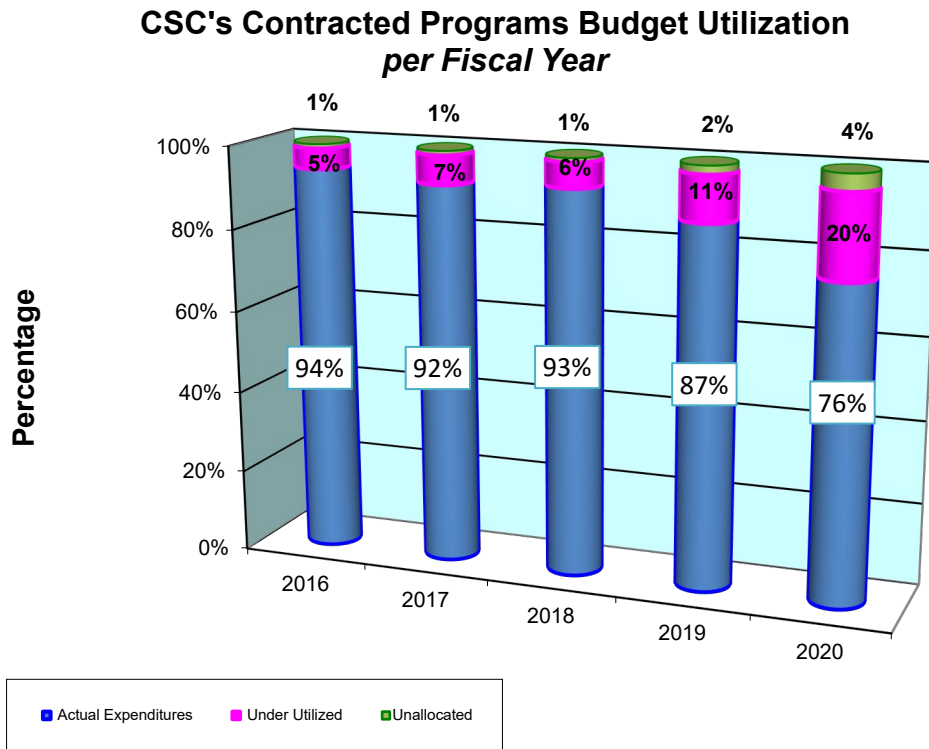
Issue:	Comprehensive Annual Financial Report ("CAFR") for Fiscal Year Ending September 30, 2020
Action:	<ol style="list-style-type: none">1. Accept Auditor's Report for Fiscal Year Ending September 30, 20202. Approve Draft CAFR for Fiscal Year Ending September 30, 2020
Budget Impact:	N/A

Background: The fiscal year-end 2019/20 Preliminary Financial Statements were reviewed and approved at the November 19th Council meeting. These statements are the basis for the CAFR for fiscal year ending September 30, 2020. The CAFR presents two perspectives of accounting as required by the Government Accounting Standards Board ("GASB") to reflect the government's financial position. One perspective is the Government-Wide Financial Statements which converts the information to an accounting method used by most private-sector companies (see page 12 for a fuller description). The other perspective presents Fund Accounting which is how we operate during the year (see page 13 for more information).

Current Status: Since the FY 19/20 Draft CAFR is just under 120 pages and the meeting is being held virtually, it is separately attached as a pdf for your review; however, if you prefer a hard copy, we can provide one. The full Council will approve the draft CAFR in March with the final printed and bound CAFR being distributed at the Council's April meeting. The CAFR will be submitted to GFOA before the deadline of March 30th for review for Excellence for Financial Reporting. Significant financial highlights for the year include:

- ◆ The total taxes levied through TRIM for fiscal year 19/20 totaled \$93.2 million, which was a notable increase of \$5.1 million or 5.8% from the prior year. The total tax revenue actually received was under budget by \$273,192; however, this is usually due to timing and may be fully collected in subsequent years.
- ◆ Due to the COVID-19 pandemic affecting our community in March, about the mid-point of the fiscal year, total expenditures for Program Services/Support were considerably less than the prior year by \$3.3 million or 4.2% while having a corresponding budget which was \$8.1 million or 9.1% higher. Even as COVID became the reality in the latter part of the fiscal year, many Providers were able to pivot and continue to deliver services as they figured out how to meet the needs of children and families in this new environment. While some programs were better able to navigate the new virtual environment and implement social distancing methods, others, especially school-based programs and those services that must be delivered in person were unable to deliver services in the manner as budgeted. Thus, overall program utilization was lower than budgeted which contributed to Fund Balance.

Final program utilization for FY 19/20 was 76%, which is 11% less than last fiscal year, with 20% due to Provider underutilization and 4% due to unallocated. Below is a chart that highlights utilization trends over the past five years.



- ◆ General Administration, factoring out the Non-Operating Expenditures of CRA and Tax Collector fees, came in under budget with the total actual administrative rate under 5%. Philosophically, while budgeted amounts need to be set slightly higher to allow for unforeseen events during the year, it is a testament to prudent financial management when the actual expenditures repeatedly come in under budget.
- ◆ CSC ended the year with a \$41.5 million total Fund Balance, an increase of \$16.4 from the prior year. As noted throughout the CAFR, this increase of Fund Balance is due primarily to the COVID-19 pandemic and the providers unable to deliver services in the normal course of business. Other contributing factors include \$3.8 million from various unallocated budgets of which \$3.4 million is earmarked for Trauma, higher than expected interest earnings, etc. Due to the higher Fund Balance, the Council carried forward \$10.3 million for programs to begin FY 20/21, an increase of \$2.5 million from the prior year.

During this Finance Committee, the auditors will provide a summary highlighting points of interest that are included in the Auditor's Required Communications. This is the fourth year that Caballero, Feirman, Llerena and Garcia, LLP audited CSC's financial statements and once again, it went very smoothly. There are no adjusting entries made from the preliminary financial statements issued in November. The final CAFR will include the Independent Auditors' Report in which the Council received an "unmodified" opinion. Additional CAFR related Audit Reports include their reports on internal controls and compliance reporting related to the grants that the Council receives.

Recommended Action:

1. Accept Auditor's Report for Fiscal Year Ending September 30, 2020
2. Approve Draft CAFR for Fiscal Year Ending September 30, 2020



**Comprehensive
Annual
Financial
Report
Fiscal Year Ending
September 30, 2020**



**20 Years
Of Nurturing
Children And Families**

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info@cscbroward.org - www.cscbroward.org (954) 377-1000

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Children's Services Council Of Broward County, Florida

**for the
Fiscal Year Ended September 30, 2020**

Issued By:

Cindy J. Arenberg Seltzer, President/CEO

Prepared By:

Financial Management:

**Monti Larsen, Chief Operating Officer
Kathleen Campbell, Director of Finance**

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and
Families



CHILDREN’S SERVICES COUNCIL OF BROWARD COUNTY
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2020

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	i
Organizational Chart and Principal Officials	xi
GFOA Certificate of Achievement	xii

FINANCIAL SECTION

Independent Auditors’ Report	1
Management’s Discussion and Analysis (“MD&A”) (Unaudited)	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	26
Statement of Activities	29
Fund Financial Statements	
Balance Sheet-Governmental Funds	30
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	31
Statement of Revenues, Expenditures and Changes in Fund Balance-Government Funds	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	34

Notes to the Financial Statements:

Description of the Children's Services Council	35
Summary of Significant Accounting Policies	35
Cash and Investments	50
Receivables and Payables	52
Property Taxes	53
Capital Assets Activity	53
Retirement Plans	54
Post-Employment Benefits Other Than Pension	65
Insurance Activities	68
Commitments and Contingencies	69
Long-Term Liabilities	70
Fund Balance	70
Grant Funding	71
Risks and Uncertainties	72

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual Comparison General Fund	74
Schedule of Proportionate Share of Net Pension Liability-Florida Retirement System - Last Seven Years	76
Schedule of Contributions Florida Retirement System- Last Seven Years	78
Schedule of Proportionate Share of Net Pension Liability Health Insurance Subsidy Program-Florida Retirement System - Last Seven Years	80
Schedule of Contributions Health Insurance Subsidy Program-Florida Retirement System - Last Seven Years	82
Schedule of Changes in Total OPEB Liability and Related Ratios	84

STATISTICAL SECTION (UNAUDITED)

Net Position by Component - Last Ten Fiscal Years	86
Changes in Net Position - Last Ten Fiscal Years	88
Fund Balance, Governmental Funds - Last Ten Fiscal Years	90
Changes in Fund Balance, Governmental Funds - Last Ten Fiscal Years	92

Assessed Value and Actual Value of Taxable Property- Last Ten Fiscal Years	94
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	96
Principal Property Taxpayers - Current Year and Nine Years Ago	98
Property Tax Levies and Collections - Last Ten Fiscal Years	100
Demographic and Economic Statistics - Last Ten Calendar Years	102
Principal Employers - Current Year and Nine Years Ago	104
Full-Time Equivalent Employees by Function - Last Ten Fiscal Years	106
Operating Indicators - Last Ten Fiscal Years	107
Program Budget Indicators - Last Ten Fiscal Years	108

COMPLIANCE SECTION

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 <i>Government Auditing Standards</i>	111
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By The Uniform Guidance	113
Schedule of Expenditures of Federal Awards	115
Notes to the Schedule of Expenditures of Federal Awards	116
Schedule of Findings and Questioned Costs	117
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	119
Independent Accountants' Report on Compliance Pursuant to Section 218.415 Florida Statutes	121

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INTRODUCTORY SECTION



**CHILDREN'S
SERVICES COUNCIL MEMBERS:**

*Cathy Donnelly, Chair
Governor Appointee*

*Tom Powers, Vice Chair
Governor Appointee*

*Hon. Kenneth L. Gillespie, Secretary
Judicial Member*

*Beam Furr, Immediate Past Chair
Broward County Commission*

*Robin Bartleman
Board Member
Broward County Public Schools*

*Emilio Benitez
Governor Appointee*

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

*Robert W. Runcie
Superintendent
Broward County Public Schools*

*Maria M. Schneider
Governor Appointee*

*Dr. Paula Thaqi
Director
Broward County Health Department*

*Ana M. Valladares
Governor Appointee*

STAFF

*Cindy J. Arenberg Seltzer
President/CEO*

LEGAL COUNSEL

John Milledge

Garry Johnson

February xx, 2021

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

Dear Council Members:

In the spirit of good stewardship, we respectfully submit the Comprehensive Annual Financial Report ("CAFR") of the Children's Services Council of Broward County ("the Council") or ("CSC") for the fiscal year that ended September 30, 2020. Florida Statutes require that our financial statements are prepared in conformance with United States Generally Accepted Accounting Principles ("GAAP") and that an external audit be performed by an independent certified public accounting firm in accordance with generally accepted auditing standards. This report is the primary method of reporting the Council's financial activities and satisfies those requirements.

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

In March of 2020, the COVID-19 pandemic affected the United States and had a direct impact on the Council's operations. For the most part, program services and administrative operations were able to pivot and continue to operate in a virtual environment; however, overall program utilization, and especially out-of-school programs, was impacted resulting in higher than normal budget variances. You will see throughout this report the effects that COVID-19 had on the Council's operations.

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

The Council's financial statements have been audited by Caballero, Fierman, Llerena & Garcia, LLP, a firm of licensed certified public accountants competitively selected by the Council Members on June 15, 2017. This is the fourth year of a five-year term of the audit engagement since Council policy mandates a five-year audit firm rotation. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Council for the fiscal year ended September 30, 2020 are free of material misstatement. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditors concluded that, based upon the audit, there was a reasonable basis for rendering an unmodified opinion that the Council's basic financial statements for fiscal year ended September 30, 2020, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the Council's basic financial statements includes part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. This federal requirement is the result of receiving a federal grant from as listed on the Schedule of Expenditures of Federal Awards. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the Council's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The Council had one federal grant for fiscal year ended September 30, 2020 from the Antiterrorism and Emergency Assistance Program Grant ("AEAP") and the related reports are presented in the Compliance Section of this report.

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

CSC Profile

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

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

The Council is not a component unit of any other governmental unit nor does it meet the criteria to include any governmental organization as a component unit. The jurisdiction of the Council is contiguous with Broward County, the second most populated county in the state and one of the most diverse counties in Florida. Interesting facts from the US Census Bureau include: Broward County is a minority-majority county with 36.5% White Non-Hispanic, 29.9% Black Non-Hispanic, 29.7% Hispanic or Latino and 3.9% other. There are an estimated 1.95 million people living in Broward County, of which 410,083 or 21.0% are children under 18 years old (source: Census 2019).

Children's Strategic Plan Leadership

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

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

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

Budget and Fiscal Policy

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

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

Accountability to the taxpayer, as well as to the children and families that are served, remains a high priority of the Council. All funded programs are monitored using a dual approach: program experts including staff with advanced degrees and off-duty teachers

and doctoral students, review the quality of the services delivered; and accountants monitor the administrative/financial functions. This dual methodology has been very successful; ensuring accountability while providing useful information that is used to improve program design, as well as to inform the training and technical assistance needs of funded providers.

Long term Financial Planning

Long-term financial planning for a government usually includes those aspects involved with capital budget, revenue and expenditure forecasts. The Council is limited regarding capital expenditures, as statute precludes incurring debt in any form. October 2009, the Council moved into its 31,500-square foot Silver LEED (Leadership in Energy and Environmental Design) headquarters building which was completely paid for through Reserves. The building was a central place for community meetings and trainings; however, once COVID-19 restrictions were enacted, the various training sessions and community meetings were held virtually rather than in the building. Shortly before the COVID-19 shutdown, the Council began exploring future space needs since the building is near capacity. The Council voted to commit \$3 million towards this goal; however, since many of the administrative duties successfully pivoted to working virtual, it will need further exploration if more space is needed. There are no specific capital related expenditures planned at this time.

Economic Conditions and Outlook

South Florida is a wonderful place to live, work and raise a family. Broward County is the second most populous county in Florida and the 17th most populous county in the US. It offers 23 miles of beaches coupled with tropical climate, as well as a flourishing melting pot of cultural and multi-ethnic diversity (more than 32% of the County's population are foreign born compared to an average of about 13% nationwide) adds to the richness of the area.

The local economy was greatly impacted by the COVID-19 pandemic with everything shutting down for a period of time in the Spring. In April 2020 unemployment hit a high of 14.5 percent which was 11.7 percentage points higher than the region's rate a year ago of 2.8 percent. There were 136,000 unemployed residents in the region with the Leisure and Hospitality sector being the most impacted, reflecting a job decrease of 53.8%, which represented 52,700 less jobs in this sector. These jobs were slow to recover and are not quite at the pre-COVID levels.

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

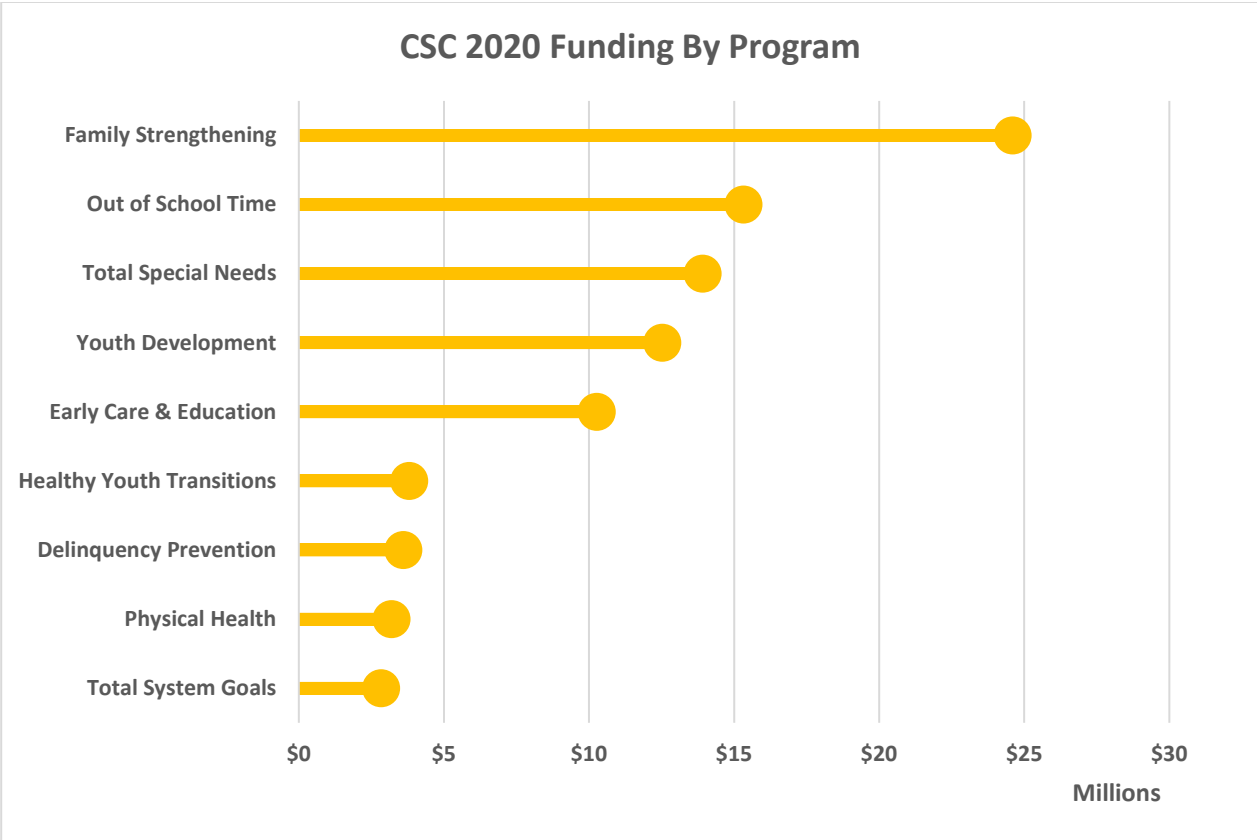
While the economy was strong in some sectors, it was quite uneven within others as noted above; consequently, there remains a high demand for social service needs throughout the community. Thus, it was much welcome news that the Council was able to grow its overall programs budget during this fiscal year by 9.3% because increased property values brought in additional revenue along with a judicious use of fund balance.

Broward County was spared the direct impact of a hurricane these past few of years. The last storm that impacted Broward specifically was September 2017 and before that, it had been twelve years without a major storm. Each storm brings its own set of difficulties and there are usually pockets of the community that suffer with the loss of housing and other basic needs. The County and various local agencies, including CSC, continue to work together to maintain a sense of preparedness and to provide vital community services as necessary to help affected families.

The County's tourism rate suffered greatly in the early days of the COVID-19 pandemic with the moratorium on travel and the shutting down of the cruise industry which normally brings numerous visitors to our community. The local airport is ranked 18th in the United States in total passenger traffic and is ranked 10th in international passenger traffic; however, it suffered a 56% decrease in the total number of passengers that passed through the airport from last fiscal year. Additionally, the local seaport last year (pre COVID-19) brought 3.9 million passengers, ranks third largest cruise ports in the world and has more homeported cruise ships than any other port. Once COVID-19 hit, all cruise activity was temporarily suspended and has to this date not resumed normal operations. This total economic effect has yet to be fully calculated, but to put it in context, typical economic activity at Port Everglades injected nearly \$34 billion into the local and state economy and businesses that supported the Port employed about 13,000 people.

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

Expenditures for Program Services increased this past year with the provider agencies drawing down 76.25 percent of their budget. The Council's services for children and their families continues to provide a great community benefit while also providing an economic gain to the local economy by funding approximately 2,600 full time equivalent positions in the social services area. The chart below illustrates budget for Program Services for the fiscal year.



Major Initiatives

With COVID-19 causing a huge disruption of providing typical social services for children and their families, the Council and its Providers pivoted to a providing all services in a virtual environment. The sudden onset of the pandemic created a host of new issues and problems for children and families such as an abrupt switch to virtual school, high unemployment, food insecurity, lack of Personal Protective Equipment (“PPE”), etc. To address some of the immediate concerns, the Council worked with other funders in the community and provided PPE for child-serving agencies, provided drive-through food pick-up, funded learning pods for children when they started back to school, as well as supported the current Providers through the early days of the pandemic.

Ninety-four percent of the annual \$97 million budget is allocated for children’s services and programs and the related support to serve approximately 100,000 children a year. Throughout this Comprehensive Annual Financial Report (“CAFR”), there are financial highlights with explanations and analysis for the various programs. For instance, on page 104 is a ten-year trend of programmatic expenditures by goal area and beginning on page 3 in the Management’s Discussion and Analysis section there are specific programmatic highlights for some of the larger goal areas.

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

- ◆ To quickly address the needs of the community once the COVID-19 shut-down happened, as noted above, the Council, in partnership with multiple community partners, purchased bulk quantities totaling \$46,500 which consisted of 75,000

disposable and reusable masks, 25,000 pairs of gloves and 5,000 small bottles of hand sanitizer for child serving agencies and distributed them via a safe drive-through method where the goods were dropped into their trunks and they never had to exit their cars. Additionally, the Council quickly responded to the call regarding food insecurity and funded several local food banks totaling \$125,000 to help distribute food to the areas in most need.

- ◆ For the past ten years, the Council, together with the School District, local businesses, other organizations and residents supported a Back to School Community Extravaganza to help students with their school supplies. While in the past, the event would draw large numbers of children and families, things had to be done differently this year to comply with social distancing requirements. The Council and Partners distributed the backpacks through funded providers and school social workers and expanded the number of backpacks from 8,000 the previous year to 13,000 this fiscal year. The recipients of the backpacks are students identified by School District Social Workers as being economically disadvantaged and need a little help with these expenses. The new backpacks are filled with all types of grade appropriate school supplies and gently used books, but unfortunately uniforms and shoes were not able to be included via this type of distribution. The CSC cost of the event was \$103,600 with \$142,000 donated from the community and another \$138,250 of in-kind donations of goods and services.
- ◆ Building upon on-going partnerships, the Council provides backbone support and co-chairs along with the School District, the Early Learning Coalition, the County Commission, Afterschool and Preschool Providers, and others to take part in a community collaboration known as Broward Reads: The Campaign for Grade Level Reading. Using the Children’s Strategic Plan infrastructure as noted on page iii, the Committee is comprised of dozens of active members from business, non-profit, philanthropic, over twenty municipalities and other governmental sectors. As a result, Broward was recognized for the past three years as a Pacesetter Community by the National Campaign for Grade Level Reading. This event took place in November 2019, prior to the COVID-19, which allowed for 1,400 volunteers to read aloud in person to 40,000 four and five year old from 335 community Early childhood providers, 199 public schools, 25 public Libraries, hospitals, wildlife sanctuary, two hospitals, etc. The Council, along with other partners, purchased 40,000 books for \$142,800 along with \$52,150 in donations that were provided to the children so that they could begin their own library collection. Feedback from volunteer readers and the schools was overwhelmingly positive.
- ◆ During “normal” times, the Council works closely with various community partners to prevent childhood hunger throughout Broward County and funds an array of prosperity and hunger related programs. One of the larger initiatives, known as Summer Break-Spot, with a budget of \$133,000 served 20,370 meals to 162 unduplicated children at six supersites in addition to the emergency food initiatives noted above.

- ◆ The Council continued its efforts to create a seamless system of care for families with children with physical and developmental disabilities. The Special Needs Advisory Coalition (“SNAC”) continues to create coalitions and workgroups to improve communication and access to services as identified in the Broward County Children’s Strategic Plan. The SNAC is essential to advocate for the Special Needs population to ensure that needed services are recognized both at the State level as well as in Broward County. The SNAC recently reorganized to focus on the following areas: (1) meeting the racial/ethnic needs of the special needs population; (2) strengthening parent advocacy; and (3) developing a birth to age twenty-two Transition Roadmap service delivery continuum model and aligned its subcommittees by functional area to address policies related to the well-being of children and youth with special needs.
- ◆ The Council has taken a leading role in addressing racial equity, implicit bias and gender identity issues. These subjects can be uncomfortable to talk about with young people and yet they are front and center in the national dialog. The Council, in partnership with the Broward County Human Services Department and others, has continued to bring a series of racial equity workshops to staff, local social services not-for-profit agencies, and community leaders. Over the past five years, the two-day workshops have been attended by 2,122 human and social service professionals, including 313 youth participating in Council funded programs in the hope of removing barriers and improving the ability to raise children to become responsible productive adults. These trainings are now being offered virtually so as not to stop the progress. Many of the best practices learned in the workshops are being infused into the Council’s procurements and policies and procedures.
- ◆ Recognizing it is necessary for the non-profit community to be strong in order to provide quality programming to our children and families, the Council leads an Agency Capacity Building Committee, which now meets virtually. The committee is comprised of key community funders and service providers in an open dialog on concerns and issues related to funding and building capacity for emerging, niche, and community-based organizations serving children and their families. Resources are then provided to help address those needs. This Committee also provides input for the Council’s training agenda. This past year, the Council sponsored its first Capacity Building Boot Camp with surveys reflecting a 96% satisfaction rate.

The Council’s budget for fiscal year 2019-2020 was \$105.6 million, which included \$4.6 million budget carry forward from the prior fiscal year and \$3.2 million of fund balance. Using \$7.8 million of existing funds coupled with the increase in property values, the Council was able to increase the 2019-20 fiscal year budget for what was anticipated to be much needed programs and services without raising the millage rate. The Council continues to be very cognizant of limited resources and works diligently to serve the children and families in the most efficient and effective manner and together with the Community to get through this COVID-19 crisis.

Certificate of Achievement for Excellence on Financial Reporting

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Children’s Services Council of Broward for its comprehensive annual financial report for the fiscal year ended September 30, 2019. This was the eighteenth consecutive year that the Council was eligible and received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

Respectfully Submitted,

Cindy J. Arenberg Seltzer
President/CEO

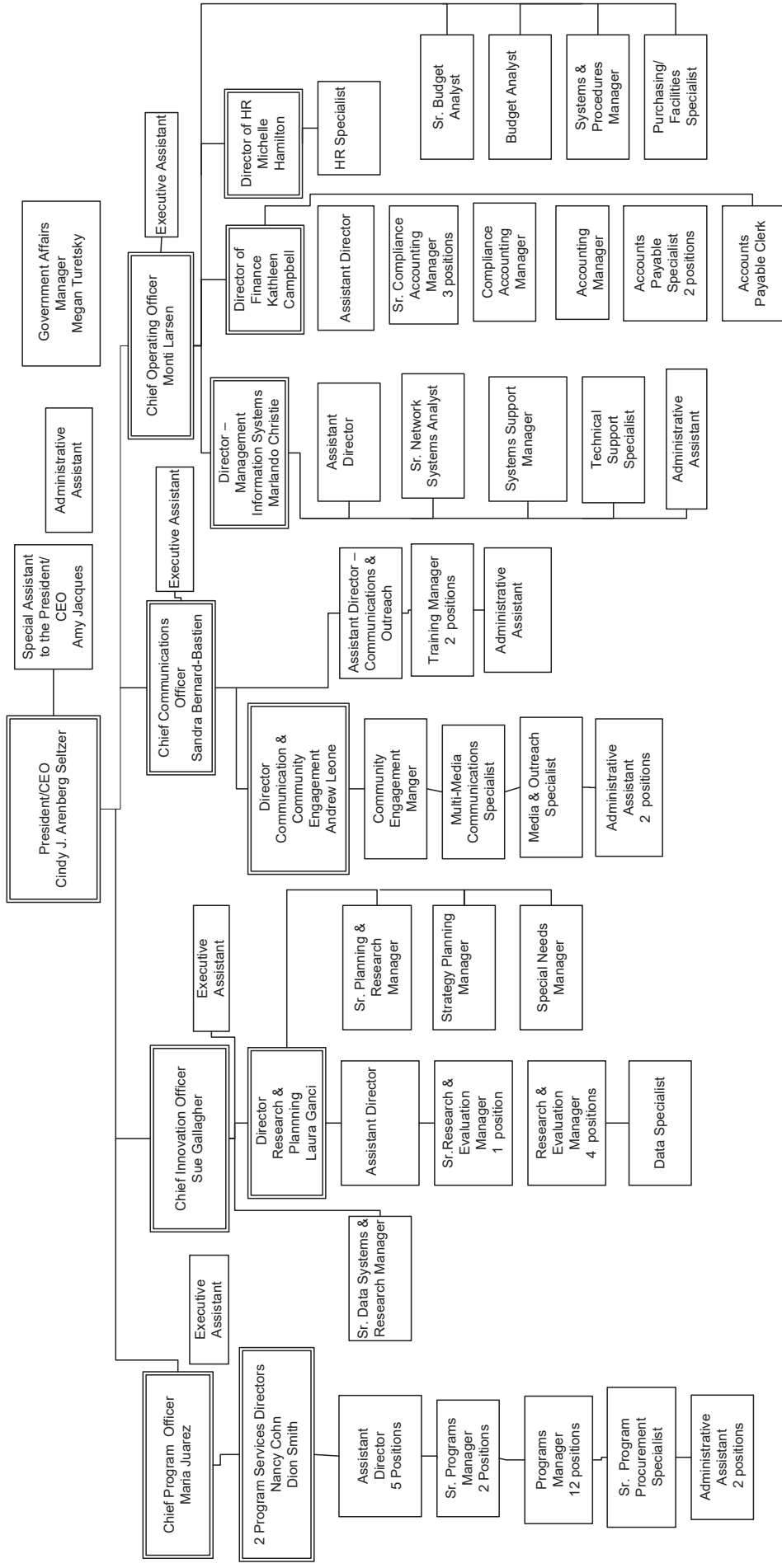
Monti Larsen
Chief Operating Officer

Kathleen Campbell
Director of Finance

Children's Services Council of Broward County

Organizational Chart

Fiscal Year 2019-2020





Government Finance Officers Association

Certificate of
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for Excellence
in Financial
Reporting

Presented to

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

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Council, as of September 30, 2020, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison, Pension and Other Post-Employment Benefits Schedules as listed in the table of contents on pages 3 to 24 and 74 to 84 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February XX, 2021 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 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 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.

DRAFT

Caballero Fierman Llerena & Garcia, LLP
Miramar, Florida
February XX, 2021

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

Our discussion and analysis of the Children's Services Council of Broward County ("the Council") or ("CSC") financial performance provides an overview of the Council's financial activities for the fiscal year ending September 30, 2020. Please read it in conjunction with the transmittal letter on page i and the Council's financial statements, which begin on page 26.

FINANCIAL HIGHLIGHTS

Fiscal year ending September 30, 2020 concludes the Council's nineteenth year of funding services that support children and families through programs emphasizing evidence-based prevention strategies. This report highlights how the Council provides leadership, advocacy and resources working with community partners and investing in evidence-based interventions and services for children and families throughout Broward County. About 200 programs are delivered by just under 100 community organizations who share the Council's mission/vision, commitment to children and expectations for excellence.

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

- ◆ Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of fiscal year 2019/20 by \$41.2 million (total net position). Of this amount, \$31.2 million represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and providers.
- ◆ The change in the Council's total net position significantly increased by \$9.4 million from last fiscal year for a total of \$14,742,472. Revenues increased 8 percent due to higher property values which resulted in additional ad valorem tax revenue. Furthermore, expenditures for program services decreased 4.1 percent or \$7.2 million due to the COVID-19 pandemic and providers not being able to fully utilize their contracts. The results of these once-in-a-century circumstances are highlighted throughout this report.
- ◆ At the close of the fiscal year, the Council's governmental funds reported a fund balance of \$41.5 million, an increase of 65% or \$16,394,924 from the prior year. The notable increase is due to additional tax revenues and substantial under-utilization from the provider contracts due to COVID-19 in which many programs were unable to provide services in the normal course of business. Of this \$41.5 million fund balance, \$28 million is available for spending at the Council's discretion (*unassigned fund balance*). However, this

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

Unassigned Fund Balance includes \$10.1 million that is maintained as minimum fund balance following best practice policy per the GFOA. The Council approved an action early in the fiscal year to commit \$3 million towards the establishment of a Building Fund to prepare for future growth. The *assigned fund balance* increased by \$5.5 million from the prior year which will be used for budget priorities in FY 20/21.

- ◆ Levied tax revenue generated through the TRIM process totaled \$93.2 million, which was a notable increase of \$5.1 million or 5.8% from the prior year. This increase was attributable to higher property values throughout the County; as the millage rate remained unchanged. Although the increase was noteworthy, the needs of the community for preventive, evidence-based children's services remain quite high as the Council and Community continue to strive to meet them.
- ◆ Comparing Fiscal Year 19 to Fiscal Year 20, the Council's total operating budget substantially increased \$9 million or 9.3%. While the overall property values did increase, it was a smaller percentage increase from the prior year by one percent. The Council continues to be cautiously optimistic of rising property values and is careful to budget accordingly. The positive economic conditions which lead to increased tax revenues, help to provide additional community resources for those areas that continue to struggle economically and provide a cushion against future downturns.
- ◆ The Council appropriated \$7.8 million of fund balance and budget carry-forward in Fiscal Year 19/20 to help offset tax increases while maintaining or expanding much needed programmatic services. The Council has historically used a portion of fund balance for this purpose. With this budget increase, many programmatic goal areas were increased based on specific needs identified with input from the county-wide Children's Strategic Plan Committees. Moreover, all programs funded by the Council remain evidenced-informed and generally demonstrate strong performance outcomes. Program service delivery and related performance outcomes were on track when mid-way through the fiscal year, the full effect of the COVID-19 pandemic hit the community and for several months, most everything shut down. Some programs were able to pivot quickly to the new virtual environment and could offer services, but others, such as after school programs, struggled since many schools were closed.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

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

- Literacy and early education services include various literacy initiatives, subsidized childcare for under-served "working poor" and for the immediate placement for children deemed especially vulnerable, and finally, Positive Behavioral Interventions and Supports (PBIS) to improve the quality of child care as well as support child-care staff to manage challenging child behaviors. Expenditures for all these programs noted above totaled \$9.7 million, a significant increase of 30% or \$2.2 million, which was primarily due to an increase in subsidized child-care. Since the Council is a payor of last resort and federal dollars are used first, the prior year had a substantial infusion of federal dollars which resulted in a one-year reduction of expenditures for the Council. This year's expenditure level for subsidized child-care is in line with typical expectations.

While COVID-19 did affect childcare centers and 70% of these centers were required to be closed because of the pandemic, there was a State of Florida Executive Emergency order that required reimbursement to be based on enrollment rather than attendance to maintain the capacity for childcare services. The Council allowed similar billing which allowed for full utilization. Most of these centers reopened at the beginning of the school year in August.

Outcomes for Subsidized Childcare demonstrate 100% of parents were satisfied with services, and 100% of clients report a better understanding of childcare options and choosing a quality childcare provider.

- Out of school programs for economically disadvantaged elementary age children, continues to be one of the larger program areas representing 17% or \$9.2 million of the overall program budget. However, these after-school programs were the most adversely affected by the COVID-19 shutdown of the schools, with a substantial 30% decrease in expenditures or \$4 million from the prior year. Once the schools were closed in March 2020, unfortunately, a couple of the providers had to close completely or severely reduce services, but many other providers

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

were able to retool their programs to offer online homework assistance, wellness calls, and connections to resources and food distribution. Typically, these worthwhile programs for children help parents to know that their children are safe and productive in academically enriching and culturally and socially engaging programs after school and on non-school days. In August, school began in a virtual environment and many providers offered in-person services at non-school locations within the community through learning pods. These learning pod environments lasted about six weeks until the schools opened in mid-October. The Council and out-of-school providers continue to remain flexible trying to find creative ways to engage children remotely in these unusual times.

These out-of-school and summer programs serve low income, typically developing children attending priority Title 1 schools with 86% or higher free or reduced lunch. Usually the out-of-school programs are supported by impressive performance outcomes; however, this year due to the COVID-19 pandemic which began midway through the fiscal year, the providers had to dramatically change their service delivery models as noted above. Thus, numbers served, utilization, and performance measures were impacted and do not reflect a typical year.

Additionally, the Council provides out-of-school time programs for children with Special Needs which includes those children and youth with special physical, developmental, and behavioral conditions. Typically, the programs offer a safe, positive environment afterschool and during the summer that enhance academic achievement, support social, developmental, and physical activities and provide educational field trips and cultural arts opportunities, but these programs also suffered the same issues from the COVID-19 pandemic and resulting shutdown as described above. The Special Needs programs provide flexible and individualized staff-to-child ratios promote effective interaction with each child. Expenditures for these programs totaled \$7.7 million, a 17% or \$1.6 million decrease from the prior year. Performance Outcomes were not available as noted.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

- The Council procured many of the youth development programs this fiscal year under a procurement titled Positive Youth Development ("PYD") and included multiple initiatives focusing on after-school programs for youth in middle and high school, along with specialized programs for those hard-to-reach middle school youth and, finally, youth employment and independent skills for youth with special needs. This goal area also includes programs for summer youth employment that were not included in the procurement but rather are delivered by the local workforce development agency as a sole source.

The COVID-19 pandemic greatly affected after-school programs for these older youth, the special needs independent training programs as well as the summer youth employment program which was completely canceled since recruitment usually began in the Spring and the community was under a near total shut-down. Thus, expenditures for all these programs substantially decreased this fiscal year by 18.6% or \$2.4 million and program service delivery and related performance outcomes were also greatly impacted and unable to be fully measured.

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

- ◆ Middle school programs for youth expanded under this new PYD procurement to reach those youth transitioning from middle school to high school that are in jeopardy of dropping out. Services in this goal area target high risk middle school students, including youth with behavioral health and other special needs. This is a challenging age group to keep engaged and these middle school programs do an excellent job of creating environments where youth can learn to make positive choices and develop skills that will serve them for life. These typical year-round programs are located at the highest need middle schools as identified by the School District based on factors such as poverty, school grades, disciplinary actions, delinquency referral rates and unexcused absenteeism.
- ◆ The high school after-school programs provide services at low performing high schools and include structured academic support services that empower students to meet or exceed state standards and graduation rates; opportunities for

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

comprehensive educational outreach; cultural, recreational and enrichment activities to increase attendance, reduce drug/alcohol abuse, and teen violence.

- ◆ Innovative programs that form a continuum of care for high school teens with physical and developmental disabilities known as Supported Training and Employment Program ("STEP"), provide year-round support for youth to learn independence, social skills, daily living skills and provide the chance to explore career opportunities through hands-on learning experiences. Once skills are mastered, youth are given the opportunity to demonstrate those new skills in various work environments. During the COVID-19 pandemic, most of the programs provided virtual services; however, two programs provided 69 young people with disabilities job training and community-based employment. For the majority of youth, it is the first time they experienced the "workplace world" and an opportunity for independence. For the first time, many parents see potential for independence for their children and employers see the benefits for both the youth and business co-workers.
- ◆ The Summer Youth Employment Program ("SYEP"), typically provides young people 16-18 years old who participate in CSC High School programming, are economically disadvantaged or aging out of foster care the opportunity to improve their workplace skills with real job experience, earning minimum wage. It is often difficult for youth to find meaningful summer employment opportunities regardless of economic conditions. Unfortunately, due to the COVID-19 pandemic, these programs were not able to operate at all this fiscal year. In typical years, the program attributes include soft-skills training, a streamlined job placement process that considers job preference, proximity to the work site, transportation, work hours and background requirements in the job placement process. Enhancements include cultural diversity and ensuring youth in other CSC-funded programs are afforded the opportunity to participate.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

- The Council funds two additional significant youth programs: 1) to divert young offenders with law violations from the juvenile justice system and learn a “life lesson” rather than be stigmatized by the delinquency system—a mark which carries into adulthood; and 2) to help youth aging out of foster care, LGBTQ teens, and youth with delinquency involvement to successfully transition into adulthood. These Juvenile Diversion programs, as well as the Healthy Youth Transition programs represent 8% of the overall programmatic expenditures for an annual total of \$6.7 million. Once the pandemic hit, many of the providers in these two service arenas were able to pivot, seamlessly offering virtual services and developing creative ways to engage the youth for a variety of services while maintaining COVID-19 guidelines and safety precautions. Expenditures for these two programs were relatively flat from the prior year, slightly increasing 0.35% or \$24,000 from the prior year for total expenditures of \$6.7 million.

While utilization was slightly higher, measuring outcomes for the two programs had to be modified as the service delivery models were dramatically different. Many of the providers moved from a unit of cost method of payment to cost reimbursement which may have helped utilization slightly increase, but thresholds for outcome data collection were modified across these programs rendering meaningful outcome measures not usable.

- The Council's steadfast commitment for Family Support programs is supported by their long-term funding commitment to this goal. The budget for the multiple Family Support programs had a significant 16.7% increase of \$2.6 million to address the complex trauma needs of the community as described further below. While this increase was unusual for this fiscal year of managing the pandemic, these programs were able to quickly pivot to offering much needed virtual services in this time of crisis. This goal comprises 27% of the program budget for a total of \$24.6 million annually.

Within the goal, programmatic funding includes: Family Support programs which focus on prevention services for at-risk and high-risk families who receive intensive in-home family therapy, parent training, and case management; Kinship programs provide relative caregiver support and other support services to

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

prevent out-of-home placements. Additionally, this goal supports programs designed to decrease pre/post-natal depression, promote maternal/child bonding, and other maternal/child education supports including safe sleep.

Another important area supported in this goal includes Trauma Care which provides services for a resiliency center known as Eagles' Haven, which offered both in-person and virtual services for the Parkland community who suffered a traumatic mass shooting at the local high school two years ago. It is anticipated that most of these expenditures will be reimbursed by the Federal Antiterrorism and Emergency Assistance Program for Victims Compensation and Assistance ("AEAP") non-competitive grant or State Victims of Crime Act ("VOCA") funds.

The Council works closely with a network of community partners involved in the child welfare system to support programs that recruit adoptive families, coordinate resources for young children in the Early Childhood Court, provide legal advocacy and support for children in the dependency and delinquency system. These legal and adoption services were eligible for Federal Title IV-E reimbursement and received \$417 thousand for the fiscal year.

These Family Support programs were the quickest adapt to the new virtual environment and data for many of the performance measures were collected and analyzed. A sampling of Performance measures for these programs continue to demonstrate strong results: 89.9% of families participated in all program requirements and 90.1% of families improved family functioning; 97% of mothers reported fewer symptoms of depression and 91% of mothers demonstrated improvement or acceptable levels of attachment and bonding with their infant.

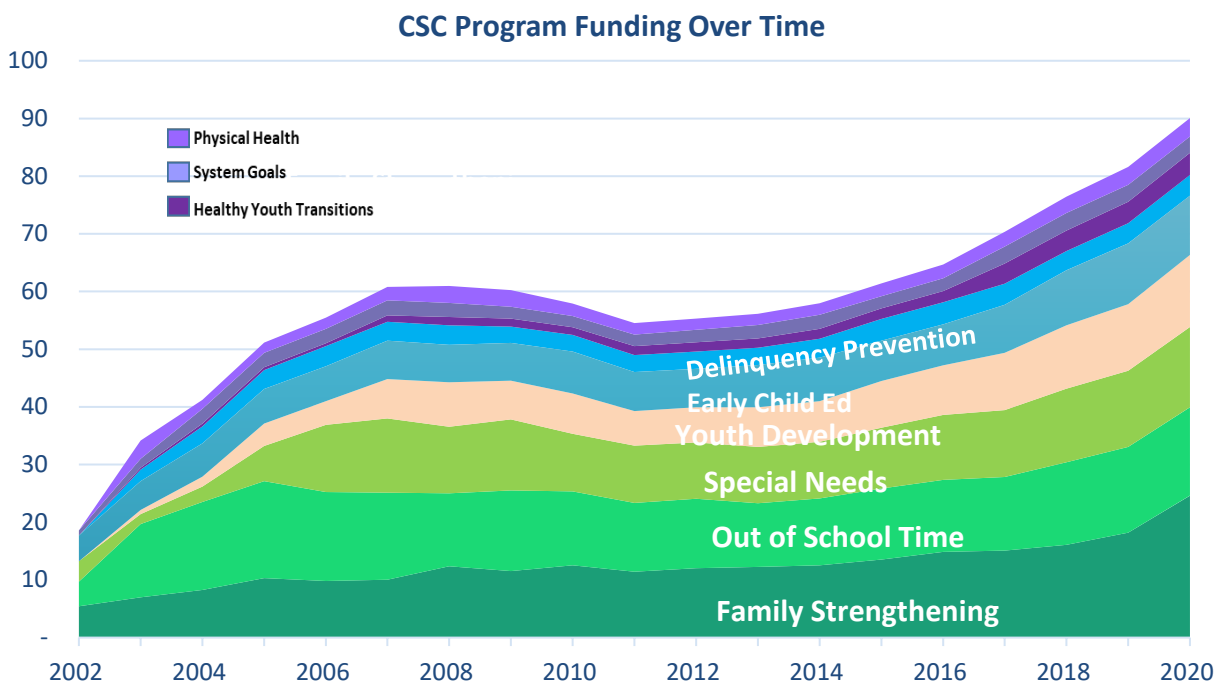
- The Council released five procurement documents this past fiscal year including Request for Proposals ("RFP") and Request for Qualifications ("RFQ") to continue programmatic services, public affairs outreach and improve operations. New procurements provide opportunities for new elements or evidence-based practices identified through "lessons learned" approach to continuous quality improvement. The procurements included: the Positive Youth Development RFP which encompassed Youth FORCE, LEAP High Schools, PEACE Programs and STEP;

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

Healthy Youth Transitions; Kinship Initiatives for Supportive Services (KISS) and KISS Legal. Non-programmatic procurements include Mini-Grant Applications.

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



USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position (on pages 26 and 27) and the Statement of Activities (on page 29) provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. Fund financial statements begin on page 30. For governmental activities, these statements depict how services were financed in the short term and what remains for future spending. Fund financial statements also report operations in more detail by providing information about the Council's expenditures. The notes to the financial statements (on pages 35 – 72) provide information that is essential to a full understanding of data

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

provided in the government-wide and fund financial statements and is required by the United States Generally Accepted Accounting Principles ("GAAP"). This report also contains other required supplementary information in addition to the basic financial statements starting on page 74. The Council remains current in its implementation of all GASB Statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-wide Financial Statements

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

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

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

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

These two statements report the Council's net position and changes in net position. You can think of the Council's net position—the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources—as one way to measure the Council's financial health, or financial position. However, a decrease in net position over the next few years is not necessarily an indication of deteriorating financial health. It is anticipated that net position will decrease over the next few years as the Council very carefully weighs the local economic environment with the need for services, and strategically uses fund balance to offset rising millage rates as well as growing programs in areas where the community need is greatest.

Fund Financial Statements

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

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

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

While some funds are required to be established by State law, the Council only used the General Fund this fiscal year as there were no need for using

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

a Special Revenue Fund as defined by the Governmental Accounting Standards Board ("GASB"). Additionally, all governments are required to present consistent fund balance information which will improve financial reporting. More information on the fund balance categories and the respective amounts can be found in the Notes to the Financial Statements beginning on page 70.

The Council adopts an annual appropriated budget for all its funds. Budgetary comparison schedules can be found starting on page 74 of the report.

Notes to the Financial Statements

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 35 - 72 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. The individual fund statements with budget to actual comparisons, other postemployment benefits plan information and pension plan information are found on pages 74 to 84 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Council's nineteenth year of generating tax revenue, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$41.2 million at the close of the fiscal year.

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

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

CSC's Summary Net Position As of September 30,

	FY 2020	FY 2019	Variance
Current Assets	\$ 51,578,936	\$ 31,514,108	\$ 20,064,828
Capital Assets	7,004,338	7,335,452	(331,114)
Total Assets	58,583,274	38,849,560	19,733,714
Deferred Outflows of Resources	2,919,467	2,631,963	287,504
Current Liabilities	10,228,669	6,539,718	3,688,951
Noncurrent Liabilities	9,838,531	7,917,109	1,921,422
Total Liabilities	20,067,200	14,456,827	5,610,373
Deferred Inflows of Resources	200,362	532,126	(331,764)
Net Position:			
Investment in Capital Assets	7,004,338	7,335,452	(331,114)
Restricted for Building	3,000,000	-	3,000,000
Unrestricted	31,230,841	19,157,118	12,073,723
Total Net Position	\$ 41,235,179	\$ 26,492,570	\$ 14,742,609

- ◆ The overall net position of the Council increased for fiscal year 2020 by 55%. The net increase of \$14,742,609, is attributable to primarily to the unprecedented underutilization of the programs due to the COVID-19 pandemic and the net effect of higher cash and investments from increased property values resulting in more tax revenues.
- ◆ The change in current assets from Fiscal Year 2019 to Fiscal Year 2020 totaled \$20,064,828. This increase is due to higher cash and investments.
- ◆ Investment in Capital Assets decreased 4.5% from the prior year in the amount of \$331,114 and is the result of minimal capital purchases for the year. Depreciation of various capital assets is also included in this category. Once it is determined that the capital assets are no longer useful, they are donated to a local foundation that works with children and adults with developmental disabilities to recycle/refurbish electronic equipment.

Total depreciation/amortization expense was \$388,262, of which \$218,250 was building related, \$21,187 was for Intangible software enhancements, and \$148,825 was for computer hardware/software and furniture and equipment.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

- ◆ Deferred outflows of resources represent a consumption of net position that is applicable to a future period reporting the FRS and HIS pension liabilities and related components with other funds within the state. At fiscal year end, the Council recognizes its allocated proportional share of the state's deferred outflows of resources related to applicable pensions, as determined by the Florida Department of Financial Services, Statewide Financial Reporting Section.
- ◆ The current liabilities category is comprised primarily of accounts payable, which increased by \$3,688,951 and is chiefly due to the timing of provider invoices for September services. The noncurrent liabilities category reflects an increase of \$1,921,422 which is primarily due to recognizing the proportionate share of the Florida Retirement System liability, the net Other Post-Employment Benefits (OPEB) liability for eligible retirees for health insurance "implicit subsidy" premiums that may be paid in the future, as well as compensated absences, due to additional personnel costs.
- ◆ Deferred inflows of resources represent an acquisition of net position by the division that is applicable to a future reporting period. The Council shares the reported FRS and HIS pension liabilities and related components with other funds within the state. At fiscal year end, the Council recognizes its allocated share of the state's deferred inflows of resources related to applicable pensions, as determined by the Florida Department of Financial Services, Statewide Financial Reporting Section.
- ◆ The \$3 million categorized as Restricted for Building included a Council approved action to set-aside funds for the exploration of a future building. Because the Council is prohibited from incurring debt of any type, this resolution was the first step in setting aside one-time funds for future growth.
- ◆ Unrestricted net position increased by \$15,073,723 from the prior year primarily because of the underutilization of the provider budgets due to the COVID-19 pandemic and having to change all of the service delivery models very quickly. Additionally, the increased assets as described above, i.e., higher tax revenues due to increased property values resulted in additional cash and investments, also played a role in this 78.7% increase of unrestricted net position.
- ◆ With respect to debt, the Council is prohibited, per Florida State Statute, from issuing any type of debt instrument including the issuance of bonds of any nature.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

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

Revenues:			
Property Taxes	\$ 93,181,490	\$ 88,063,546	\$ 5,117,944
Investment Earnings	955,209	1,388,744	(433,535)
Other	4,026,730	1,471,934	2,554,796
Total Revenues	<u>98,163,429</u>	<u>90,924,224</u>	<u>7,239,205</u>
Expenses:			
Program Services & Support	75,536,930	78,763,252	(3,226,322)
General Administration	4,365,032	3,951,404	413,628
Community Redevelopment and Tax Collector Fees	3,518,995	2,875,492	643,503
Total Expenses	<u>83,420,957</u>	<u>85,590,148</u>	<u>(2,169,191)</u>
Increase (Decrease) Net Position	14,742,472	5,334,076	9,408,396
Net Position - Beginning Balance	26,492,570	21,158,494	5,334,076
Restatement of Net Position for FRS Pension	137	-	137
Net Position - End of Year	<u>\$ 41,235,179</u>	<u>\$ 26,492,570</u>	<u>\$ 14,742,609</u>

- ◆ **Property taxes** are the Council's primary source of revenue. For fiscal year 2020, property tax revenue significantly increased by \$5.1 million from the prior year attributable to increased property values. While the millage rate remained unchanged from the prior year's 0.4882 mills, additional tax revenue was generated due to a 5% increase in property values. However, property values in South Florida have been trending downward over the past three years and it is anticipated that this will continue for the next couple of years. Although the Council is authorized to levy up to .5 mills, the Council Members remain quite concerned about millage rate increases and its effect on taxpayers. The Council continues to utilize fund balance to not reduce services that meet the identified needs for Broward County's children and families.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

- ◆ **Investment earnings** totaled \$955,209, a decrease of \$433,535 in Fiscal Year 2020, which is a notable 31% decrease from the prior year. The decrease is due to lower interest rates that were earned on investments.
- ◆ **Other revenue** includes grants, local foundations, training registration and miscellaneous revenue and for the current year equals \$4,026,730, which reflects a significant increase from the prior year. The increase is overwhelmingly due to being awarded the Federal Antiterrorism and Emergency Assistance Program for Victims Compensation and Assistance ("AEAP") non-competitive grant or State Victims of Crime Act ("VOCA") funds in the amount of \$2,377,359 for reimbursement of expenditures dating back to FY 2018 stemming from the Parkland school shooting tragedy.

Within this classification includes \$416,835 from Federal Title IV-E Foster Care, Legal Representation, and other Adoption Programs through an agreement with State of Florida Department of Children and Families.

Local Foundations and Grants generated revenue of \$928,874, a slight decrease of \$86,337 or 8.5% from the prior year. This marginal decrease was primarily due to underutilization of the programs and returning the unspent funds to the local foundation funding partner.

Additionally, local collaborative events such as the Back-to-School Extravaganza, the Racial Equity-Undoing Racism Initiative and Broward Reads program collected revenue of \$294,481, a slight increase of \$11,636 or 3.9% from the prior year. While these events had to switch to virtual events, the partners joined the Council to raise the necessary funds to sponsor the various events.

Training revenues decreased significantly by \$11,742 or 56% for a total of \$9,180 for this fiscal year. With COVID-19 hitting mid-year, in-person trainings quickly pivoted to a virtual platform and the Council reduced the fees to encourage participation.

- ◆ **Expenses for Program Services and Support**, which includes program related administration, totaled \$75.5 million in fiscal year 2020; a decrease of \$3.2 million or 4.1%. While the budget for program services increased \$8.1 million or 9.1%, the expenses were considerably less as the funded agencies significantly underutilized (contract utilization is described on page 21) due to the pandemic disrupting normal service delivery. The graph on the

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

following page illustrates that, 90.6% of total expenses support various programs and support services for children and families of Broward County.

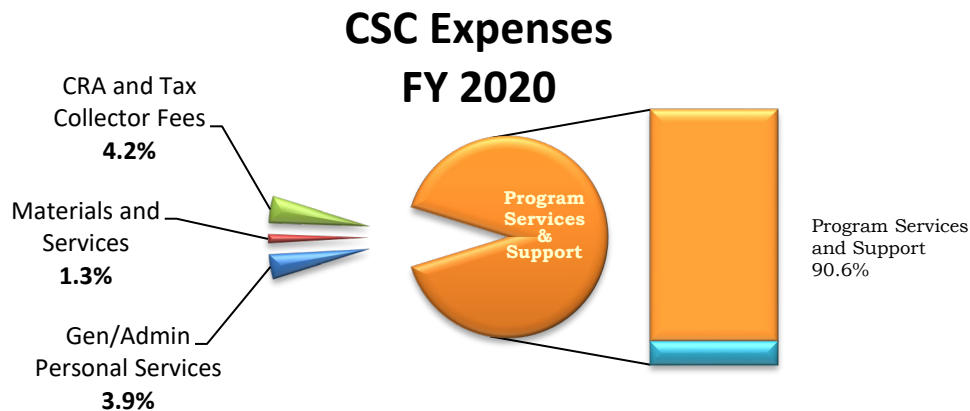
- ◆ **Expenses for General Administration** totaled \$4.4 million in fiscal year 2020, an increase of \$413,628 or 10.5% increase from fiscal year 2019. This increase is the result of multiple factors including overall higher operating expenses primarily in software and telecommunication maintenance, facility management, and additional salary and benefit expenses absorbing pension expense as recognized from the proportional share of the Florida Retirement System plan (see note 7). However, general administrative costs represent 5.2% of the overall expenses, which demonstrates the Council's fiscal prudence, a very resourceful staff and effective use of technology. The Council's focus continues to be providing services throughout the community with minimal administration costs.
- ◆ **Community Redevelopment and Tax Collector fees** for fiscal year 2020 increased by 22% or \$643,503 for a total of \$3.5 million. The Community Redevelopment (CRA) fees were reduced by \$369,408 due to the rebate of one particularly large CRA; however, in other areas of the County, these CRA values continue to increase. The Tax Collector fees are based on the operating budget of the Property Appraisers Office and are allocated among the taxing districts. These fees increased \$35,586 or 6.1% from the prior year.

The Community Redevelopment Agency tax increment fees are tied to the increased incremental property tax values in specific areas, as well as the Council's established millage rate. Generally, throughout the County, property values within the CRA districts continue to increase. In those districts wherein, the Council and the CRA have formed a partnership, \$1,248,233 CRA fees were used for programs and services for children in lieu of fees. These successful collaborations between the Council and many of the CRA Districts have been able to place programs and services for children in these targeted communities. Additionally, the Council continues to negotiate with the CRA's in an ongoing effort to dedicate this funding for children's services in those respective areas.

CHILDREN’S SERVICES COUNCIL OF BROWARD COUNTY

Management’s Discussion and Analysis Fiscal Year Ended September 30, 2020

The illustration below depicts the total CSC expenses, by percentage, for fiscal year ended September 30, 2020.



Analysis below separately considers the operations of governmental activities.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUND

As the Council completed its nineteenth year of operations, the governmental funds (as presented in the balance sheet on page 30) reported a total fund balance of \$41.5 million. The fund balance categories are fully described in the Notes to the Financial Statements on page 42.

- ◆ **Fund balance** significantly increased a total of \$16,394,924 or 65.4% from the prior year. As noted throughout this report, the primary reason for this increase stemmed from the COVID-19 pandemic and the high underutilization of the provider contracts, coupled with additional appropriations for programs predominantly in family support, adoption promotion, youth development, special needs programs, school nurse, and out-of-school-time goal areas, which in turn contributed to an increase in fund balance. Additionally, fund balance included \$185,322 of Non-Spendable funds for prepaid items in fiscal year 2020.

Given this era of ongoing needs within the community and the limitations on raising property taxes, the Council assigned a portion of fund balance in order to expand services for children and their families. Accordingly, \$3,500,000 is assigned for subsequent year’s budget for fiscal year 2020-21. Additionally, \$6,467,505 of fund balance is assigned for various purchases in next fiscal year. Within Unassigned Fund Balance, the Council voted to maintain a

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

minimum balance of 8%-10% of budgeted operating expenditures or \$10,125,618 to manage cash inflows and outflows until tax revenue is received since the Council is prohibited of issuing short-term debt instruments such as RAN (Revenue Anticipation Notes) or TAN (Tax Anticipation Notes). This minimum amount is based on best practices as outlined by the Government Finance Officers Association (GFOA). This leaves a remaining Unassigned Fund Balance of \$17,865,916.

- ◆ **Budget amendments** are prepared over the course of the year allocating appropriations from one line item to another to prevent budget overruns. Actual charges (expenditures) to appropriations (budget) were \$23.8 million below the final budget amounts.
- ◆ **Budget variances** - The most significant positive variance (\$21.4 million) occurred in Program Services reflected in the Council's General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual found on pages 74-75. This variance is due to several factors related to programs and services. To illustrate:
 - A once in a century pandemic totally disrupted services for the providers. In March 2020, the community shutdown for several months as providers slowly began figuring out how best to provide much needed social services. Some of the programs were better suited for a virtual service delivery; however, school-based programs took the hardest hit as all school sites completely closed. Most of the Council's contracts require that the provider's invoice be based on "units of service", not reimbursement of expenses. Consequently, if a provider does not provide all the services that were anticipated, the contract is under-utilized. This method of invoicing allows the Council to only pay for services provided. However, because of the changes in service delivery and the fact that many providers were unable to draw down units, the Council switched over to a cost-reimbursement method of payment. This helped to ensure that the providers could maintain their staff and serve the community as the new "normal" began to emerge. The Council monitors utilization throughout the year and continues to work closely with those providers to help them provide the services and, therefore, utilize the available funds. Total utilization of the programs was 76.25% down 12.9% from last year's 87.5% as compared with an average of 91% over the past three years. The total budget variance affected by unallocated and underutilization of the contracts is 24% or \$21,370,578.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

- The budget for Fiscal Year 2020 included \$3,814,137 that was not allocated to any specific program but may be appropriated in the subsequent fiscal year. Because various local economic conditions may arise at any time, the Council purposefully left these funds unallocated to have flexibility in meeting unexpected needs of the community.
- The budget variance for Program Support was \$884,133, of which 85.5% was salary/benefit lapse. General Administration budget variances totaled \$1,315,910 of which 32% was salary/benefit lapse. Additional budget variances were noted in software maintenance and facilities management (which add to building maintenance reserves). Additionally, \$251,225 budget variances related to Capital Outlay were due to computer purchases not being finalized by fiscal year-end.

Alternatively, resources available for appropriation (revenues) were \$345,493 over the final budgeted amount. This positive variance is primarily the result of higher than anticipated interest earnings.

OTHER ASSETS and OTHER OBLIGATIONS

At the end of Fiscal Year 2020 the Council had \$7 million invested in capital assets including land, building and related infrastructure, as well as computer hardware and software. More detailed information about the Council's policies concerning capital assets is presented in Notes 1 and 5 of the Notes to the Financial Statements.

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

ECONOMIC FACTORS, NEXT YEAR'S BUDGET and TAX RATES

The Council Members considered many factors when setting the subsequent fiscal-year's budget and tax rates during their May 2020 Budget Retreat. Council Members are always very cautious in setting the tax rate, weighing their desire to meet the expanding need for services against property values and voter concern about property tax rates. The Council is also mindful of the present fund balance, the .5 mill maximum tax levy and pressures within the local economy.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Management's Discussion and Analysis Fiscal Year Ended September 30, 2020

Broward County is the second most populous county in the state and comprises 31 different municipalities within an urban/suburban setting. A snapshot of the local economy presents a complex mix of economic indicators. While 2020 and the COVID-19 pandemic created many new challenges for the local economy and the hospitality and cruise related sectors were hit very hard, there were other sectors that remained level. Employment in Broward County decreased by 8% or 61,000 private sector jobs with the area's unemployment rate at 7.8% in September of 2020. Many families continue to exist in a state of persistent financial insecurity and are one financial emergency away from poverty, cited a recent study conducted by the Corporation for Enterprise Development. Broward continues to have a high percentage of households, 59.3%, that are considered "cost-burdened" (paying in excess of 30% of their incomes on housing costs) due to the high cost of living, low paying jobs, income stagnation, etc. With the pandemic, the inequities for these families were exacerbated as many do not have the ability to work remotely, have savings to fall back on, can take sick time if needed, etc.

Even during the pandemic this year, property values continued to trend upwards, an eight-year streak, with a notable 7% increase in the same period last year. The median price for a single-family home in Broward County increased to \$380,000 in the first quarter of 2020 which was a 7% increase from \$355,000 in the same period last year. The number of foreclosures substantially decreased from 2019 to 2020 in Broward County from 1,847 in 2019 to 490 in 2020, a steep 73% decline in foreclosure activity; continuing an encouraging trend over the past six years, especially since foreclosures in this area were some of the highest in the nation for several years from 2009-2014. While this is good news for some homeowners, many working families are feeling pressure as the gap for affordable housing has not kept pace with the demands. Broward County continues to be one of the least affordable places to live in the country.

At present, Council goals and objectives are shaped using the County-wide Children's Strategic Plan, input from the community and staff. The budget is then developed around those identified service and system needs. For the upcoming 2020-2021 fiscal year, local property values had a 4.7% increase which allowed the Council Members to maintain the millage rate at 0.4882 mills and generated an additional \$4.9 million of tax revenue. Additionally, the Council members voted to appropriate \$3.5 million of fund balance, coupled with \$6.8 million budget carry forward. With these additional resources, the Council was able to grow many of the programs and services to help meet the ever-growing needs within the community.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

**Management's Discussion and Analysis
Fiscal Year Ended September 30, 2020**

REQUESTS FOR INFORMATION

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

20 Years
Nurturing
Children
and
Families



CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Statement of Net Position
September 30, 2020

	Governmental Activities
ASSETS	
Current Assets:	
Cash	\$ 4,645,436
Investments	44,123,951
Accounts and Interest Receivable	14,517
Due From Other Governments	2,609,710
Prepaid Items	185,322
Total Current Assets	51,578,936
Other Assets:	
Capital Assets, Not Being Depreciated:	
Land	2,500,000
Intangibles - Work In Progress	87,669
Capital Assets, Net of Accumulated Depreciation:	
Building and Related Infrastructure	4,060,334
Intangible Assets	214,804
Computer Hardware/Software	117,273
Furniture and Equipment	24,258
Total Capital Assets	7,004,338
Total Assets	58,583,274
DEFERRED OUTFLOWS OF RESOURCES	
Pension Plans:	
Florida Retirement System	2,367,639
Health Insurance Subsidy	549,295
Other Post Employment Benefits (OPEB)	2,533
Total Deferred Outflows of Resources	2,919,467

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Statement of Net Position, (Continued)

September 30, 2020

LIABILITIES

Current Liabilities:

Accounts Payable and Accrued Liabilities 9,337,351

Unearned Revenue 771,275

Expected to be paid within one year:

Compensated Absences 120,043

Total Current Liabilities 10,228,669

Noncurrent Liabilities:

Expected to be paid after one year:

Compensated Absences 1,080,389

OPEB Liability 119,934

Net Pension Liability:

Florida Retirement System 6,561,709

Health Insurance Subsidy 2,076,499

Total Noncurrent Liabilities 9,838,531

Total Liabilities 20,067,200

DEFERRED INFLOWS OF RESOURCES

Pension Plans:

Florida Retirement System 1,506

Health Insurance Subsidy 122,342

Other Post Employment Benefits (OPEB) 76,514

Total Deferred Inflows of Resources 200,362

NET POSITION

Investment in Capital Assets 7,004,338

Restricted 3,000,000

Unrestricted 31,230,841

Total Net Position \$ 41,235,179

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

20 Years
Nurturing
Children
and
Families



CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Statement of Activities
Fiscal Year Ended September 30, 2020

	Governmental Activities
Expenses:	
Program Services:	
Program Services	\$ 68,686,479
Program Support	6,850,451
Total Program Services	75,536,930
General Administration:	
Personal Services	3,252,753
Materials and Services	1,112,279
Community Redevelopment and Tax Collector Fees	3,518,995
Total General Administration	7,884,027
Total Expenses	83,420,957
General Revenues:	
Property Taxes	93,181,490
Investment Earnings	955,209
Grant Funding, Unrestricted	2,794,195
Miscellaneous Local	1,232,535
Total General Revenues	98,163,429
Change in Net Position	14,742,472
Net Position - Beginning restated for FRS Pension (see note 6)	26,492,707
Net Position - End of the Year	\$ 41,235,179

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Balance Sheet - Governmental Funds
September 30, 2020

	General Fund	Total Governmental Funds
ASSETS		
Current Assets:		
Cash	\$ 4,645,436	\$ 4,645,436
Investments	44,123,951	44,123,951
Accounts and Interest Receivable	14,517	14,517
Due From Other Governments	2,609,710	2,609,710
Prepaid Items	185,322	185,322
Total Assets	\$ 51,578,936	\$ 51,578,936
LIABILITIES and FUND BALANCE		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 9,337,351	\$ 9,337,351
Unearned Revenue	771,275	771,275
Total Liabilities	10,108,626	10,108,626
Fund Balance:		
Nonspendable	185,322	185,322
Committed	3,000,000	3,000,000
Assigned	10,293,454	10,293,454
Unassigned	27,991,534	27,991,534
Total Fund Balance	41,470,310	41,470,310
Total Liabilities and Fund Balance	\$ 51,578,936	\$ 51,578,936

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Reconciliation of the Governmental Funds Balance Sheet to
The Government-Wide Statement of Net Position
September 30, 2020

Fund Balance - Total Governmental Funds (page 30) \$ 41,470,310

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

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

Governmental capital assets	\$ 10,604,991	
Less accumulated depreciation	<u>(3,600,653)</u>	7,004,338

Deferred outflows of resources related to Pensions and OPEB are recorded in the Statement of Net Position	2,919,467
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Deferred inflows of resources related to Pensions and OPEB are recorded in the Statement of Net Position	(200,362)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Compensated Absences		(1,200,432)
OPEB Liability		(119,934)
Net Pension Liability:		
Florida Retirement System		(6,561,709)
Health Insurance Subsidy		<u>(2,076,499)</u>

Net Position of Governmental Activities (page 27)	<u><u>\$ 41,235,179</u></u>
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Notes to the Financial Statements are an integral part of this statement

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Statement of Revenues, Expenditures and
Changes In Fund Balance - Governmental Funds
Fiscal Year Ended September 30, 2020

	General Fund	Total Governmental Funds
Revenues:		
Ad Valorem Taxes	\$ 93,181,490	\$ 93,181,490
Grant Funding	2,794,195	2,794,195
Investment Earnings	955,209	955,209
Miscellaneous Local	1,232,535	1,232,535
Total Revenues	98,163,429	98,163,429
Expenditures:		
Program Services & Support:		
Program Services	68,618,686	68,618,686
Monitoring/Outcome Materials	67,793	67,793
Employee Salaries and Benefits	5,976,127	5,976,127
Other Consultants	9,699	9,699
Material and Supplies	1,017	1,017
Printing and Advertising	4,218	4,218
Software Maintenance	24,155	24,155
Travel and Other Expenditures	75,975	75,975
Total Program Services & Support	74,777,670	74,777,670
General Administration:		
Employee Salaries and Benefits	2,632,128	2,632,128
Legal Fees	30,710	30,710
Auditors and Other Consultants	53,281	53,281
Materials and Supplies	31,202	31,202
Printing and Advertising	7,178	7,178
Other General Administration	404,918	404,918
Telecommunications	53,176	53,176
Travel and Other Expenditures	117,033	117,033
Tax Collection Fees	614,626	614,626
Community Redevelopment Area Fees	2,904,369	2,904,369
Total General Administration	6,848,621	6,848,621

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Statement of Revenues, Expenditures and
Changes In Fund Balance - Governmental Funds
Fiscal Year Ended September 30, 2020, (Continued)

	General Fund	Total Governmental Funds
Capital Outlay:		
Computer Hardware/Software	112,520	112,520
Furniture/ Equipment	28,180	28,180
Improvements other than Building	1,514	1,514
Total Capital Outlay	142,214	142,214
Total Expenditures	81,768,505	81,768,505
Net Change in Fund Balance	16,394,924	16,394,924
Beginning Fund Balance	25,075,386	25,075,386
Ending Fund Balance	\$ 41,470,310	\$ 41,470,310

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance
of Governmental Funds to the
Statement of Activities
Fiscal Year Ended September 30, 2020

Net Change in Fund Balance
Total Governmental Funds (page 33) \$ 16,394,924

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

To write off items that were originally capitalized (i.e., obsolete computer hardware) which will decrease net position. (1,439)

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

Expenditures for capital assets	\$ 69,708	
Less current year depreciation	<u>(399,383)</u>	(329,675)

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

Change in Compensated Absences	(190,470)
Change in OPEB Liability and related pension items	1,780
Change in Net Pension Liability and related pension items:	
Florida Retirement System	(991,953)
Health Insurance Subsidy	(140,695)

Change in Net Position of Governmental Activities (page 29)	<u><u>\$ 14,742,472</u></u>
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Notes to the Financial Statements are an integral part of this statement

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

A. Reporting Entity, (Continued)

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

B. Basis of Presentation

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

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

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

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

C. Measurement Focus and Basis of Accounting

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

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

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

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

D. Budgets and Budgetary Accounting

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

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

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

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

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

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

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

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

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

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

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

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

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

The Florida PRIME and FL PALM are not included in the fair value hierarchy as they are reported at amortized cost. Accordingly, the Council does not maintain any investments subject to fair value measurement as of September 30, 2020.

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

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

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

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

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

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

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

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

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

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

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

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

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

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

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

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

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

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

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

F. Revenues and Expenditures/Expenses

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

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

**Notes to the Financial Statements
September 30, 2020**

G. Restatement of Net Position

The fiduciary net position for the FRS Pension Plan increased at July 1, 2019, and the net pension liability decreased at June 30, 2020, by \$940,602 due to a restatement because of a correction to an interfund receivable. The effect of the accounting change on the Council's net position as previously reported for fiscal year 2019 and prior years is an increase of \$137 and is adjusted as of September 30, 2019 as follows:

	<u>Governmental Activities</u>	
Net Position, previously reported		\$ 26,492,570
Adjustment for FRS Pension	\$ 137	
Total FRS pension related adjustment		<u>137</u>
Net Position, restated		<u>\$ 26,492,707</u>

H. New Accounting Pronouncements

GASB Statement No. 84- In January 2017, the GASB issued Statement No. 84 *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The Council is currently evaluating the implementation requirements of this Statement.

GASB Statement No.87- In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2020

H. New Accounting Pronouncements, (Continued)

It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. The Council is currently evaluating the implementation requirements of this Statement.

GASB Statement No. 89 - In June 2018, the GASB issued Statement No. 89 *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement will improve financial reporting and will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. There is no impact to the Council.

GASB Statement No. 90 - In August 2018, the GASB issued Statement No. 90- *Majority Equity Interests -- An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2020

H. New Accounting Pronouncements, (Continued)

Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations that previously was reported inconsistently. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. There is no impact to the Council.

GASB Statement No. 91 - In May 2019, the GASB issued Statement No. 91- *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. There is no impact to the Council as the Council is prohibited from issuing debt.

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2020

H. New Accounting Pronouncements, (Continued)

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

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

GASB Statement No. 95 - In May 2020, the GASB issued Statement No. 95- *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders considering the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The requirements of this Statement are effective immediately.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements September 30, 2020

H. New Accounting Pronouncements, (Continued)

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

GASB Statement No. 97 - In June 2020, the GASB issued Statement No. 97-*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements in paragraph 4 and paragraph 5 of this Statement are effective immediately. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Council is currently evaluating the implementation requirements of this Statement.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

**Notes to the Financial Statements
September 30, 2020**

2. CASH AND INVESTMENTS

Statement of Policy

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

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

Cash

Florida statutes authorize the deposit of the Council funds in demand deposits or time deposits of financial institutions approved by the State Treasurer, defined as qualified public depositories. Pursuant to Chapter 280, Florida Statutes, the State Treasurer requires Qualified Public Depositories ("QPD") to deposit with the Treasurer or other banking institution, eligible collateral. In the event of a failure, the remaining public depositories would be responsible for covering any losses. All bank balances of the Council are held in a QPD. As of September 30, 2020, the carrying amount of the Council's deposits was \$4,645,436 with a bank balance of \$5,721,760. The Council's deposits at year-end are considered insured and collateralized for custodial credit risk purposes.

Investments

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

Cash and investments as of September 30, 2020 are composed of the following:

	<u>Reported Amount</u>	<u>Weighted Average Maturity</u>	<u>Fair Value</u>
Cash Deposits	\$ 4,645,436	-	\$ 4,645,436
Investments with the SBA:			
Florida PRIME	7,176,440	48 days	7,176,440
Investments with FL PALM:			
FL PALM Portfolio	36,947,511	46 days	36,947,511
Total Investments	<u>44,123,951</u>		<u>44,123,951</u>
Total Cash and Investments	<u>\$ 48,769,387</u>		<u>\$ 48,769,387</u>

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

2. CASH AND INVESTMENTS (Continued)

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Council's investment policy limits its investments to high quality investments to control credit risk. For liquidity purposes as well as to control risk, all the Council's operating investments for fiscal year 2020, were invested with the SBA, and the Florida Public Assets for Liquidity Management (FL PALM).

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Council's investment policy limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The dollar weighted average days to maturity (WAM) for the Florida PRIME was 48 days, and 46 days for the FL PALM on September 30, 2020. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM.

The weighted average life (WAL) of Florida PRIME, and FL PALM on September 30, 2020 are 63 days, and 76 days, respectively. The Council currently does not have significant investment balances with long-term maturities that may be subject to significant fair value losses arising from increasing interest rates.

Investment Pools and Pool Participants

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

**Notes to the Financial Statements
September 30, 2020**

2. CASH AND INVESTMENTS (Continued)

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

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

3. RECEIVABLES AND PAYABLES

Accounts and Interest Receivable as of September 30, 2020 consists of the following:

	<u>General Fund</u>
Taxes Receivable	\$ 13,267
Interest Receivable	874
Other	376
Total Accounts Receivable	<u>\$ 14,517</u>

Accounts Payable, Salaries and Wages Payable, and Accrued Liabilities as of September 30, 2020 consists of the following:

	<u>General Fund</u>
Funded Providers	\$ 8,822,577
Administrative	160,989
Professional Services & Other	32,617
Salaries & Wages Payable	320,716
Employee Reimbursements	452
Total Accounts Payable and Accrued Liabilities	<u>\$ 9,337,351</u>

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

4. PROPERTY TAXES

Florida Statutes permit the Council to levy taxes up to 0.5 mills per \$1,000 of assessed valuation. The rate levied for the Council for fiscal year 2020 was 0.4882 mills, leaving the millage rate level from the prior fiscal year. However, due to increased property values the tax revenue increased 5.1%. Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for real and personal property located within Broward County. The adjusted assessed value at July 1, 2019 upon which the fiscal year 2020 levy was based, was approximately \$201.5 billion. The property taxes receivable from the tax collector was \$13,267 at September 30, 2020.

5. CAPITAL ASSETS ACTIVITY

The following is a summary of capital asset activity for the fiscal year ended September 30, 2020:

	Balance at			Balance at
	Oct. 1, 2019	Additions	Deletions	Sept. 30, 2020
Capital Assets:				
Capital Assets Not Depreciated:				
Land	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000
Intangibles-Work in Progress	293,118	4,551	(210,000)	87,669
Capital Assets Depreciated:				
Building	6,105,002	-	-	6,105,002
Building Infrastructure	349,798	1,514	-	351,312
Computer Hardware/Software	807,111	57,890	(12,560)	852,441
Intangible Assets	40,464	215,753	-	256,217
Furniture and Equipment	452,350	-	-	452,350
Total Capital Assets	<u>10,547,843</u>	<u>279,708</u>	<u>(222,560)</u>	<u>10,604,991</u>
Less Accumulated Depreciation:				
Building	2,055,528	202,593	-	2,258,121
Building Infrastructure	122,202	15,657	-	137,859
Computer Hardware/Software	614,679	131,610	(11,121)	735,168
Intangible Assets	20,226	21,187	-	41,413
Furniture and Equipment	399,756	28,336	-	428,092
Total Accumulated Depreciation	<u>3,212,391</u>	<u>399,383</u>	<u>(11,121)</u>	<u>3,600,653</u>
Capital Assets	<u>\$ 7,335,452</u>	<u>\$ (119,675)</u>	<u>\$ (211,439)</u>	<u>\$ 7,004,338</u>

CHILDREN’S SERVICES COUNCIL OF BROWARD COUNTY

**Notes to the Financial Statements
September 30, 2020**

5. CAPITAL ASSETS ACTIVITY (Continued)

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

Program Administration	\$ 63,098
General Administration	<u>336,285</u>
Total Depreciation Expense	<u>\$ 399,383</u>

6. RETIREMENT PLANS

Florida Retirement System

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

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

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

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

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

**Notes to the Financial Statements
September 30, 2020**

6. RETIREMENT PLANS-Florida Retirement System (Continued)

The aggregate net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense as of September 30, 2020, for the FRS Pension and HIS Plans are listed below:

	FRS	HIS	Total
Net Pension Liability	\$ 6,561,709	\$ 2,076,499	\$ 8,638,208
Deferred Outflows of Resources	\$ 2,367,639	\$ 549,295	\$ 2,916,934
Deferred Inflows of Resources	\$ 1,506	\$ 122,342	\$ 123,848
Pension Expense	\$ 991,953	\$ 140,695	\$ 1,132,648

The Pension Plan

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

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

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

6. RETIREMENT PLANS-Florida Retirement System (Continued)

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

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

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

The Investment Plan Option: As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Council employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Senior Management, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among

various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2019-20 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30% and Senior Management Service class 7.67%.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

6. RETIREMENT PLANS-Florida Retirement System (Continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information related to the number of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Council.

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

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to contribute to the FRS based on statewide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020, respectively, were as follows: Regular—8.47% and 10%; Senior Management Service—25.41% and 27.29%; and DROP participants—14.60% and 16.98%. These employer contribution rates include 1.66% HIS Plan subsidy for the periods October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020, respectively. The Council's contributions, including employee contributions to the Pension Plan, totaled \$877,234 for the fiscal year ended September 30, 2020.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

**Notes to the Financial Statements
September 30, 2020**

6. RETIREMENT PLANS-Florida Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2020, the Council reported a liability of \$6,561,709 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Council's proportionate share of the net pension liability was based on the Council's 2019-20 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At June 30, 2020, the Council's proportionate share was .015139562 percent, which was an increase of .000530373 percent from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the Council recognized pension expense of \$991,953. In addition, the Council reported deferred outflows of resources and deferred inflows of resources related to the Pension Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 251,130	-
Change of assumptions	1,187,878	-
Net difference between projected and actual earnings on Pension Plan investments	390,690	-
Changes in proportion and differences between Council Pension Plan contributions and proportionate share of contributions	384,344	1,506
Council Pension Plan contributions subsequent to measurement date	153,597	-
Total	<u>\$ 2,367,639</u>	<u>1,506</u>

The deferred outflows of resources related to the Pension Plan, totaling \$153,597 resulting from Council contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

**Notes to the Financial Statements
September 30, 2020**

6. RETIREMENT PLANS-Florida Retirement System (Continued)

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

Fiscal Year Ending September 30:	Amount
2021	\$ 491,390
2022	696,311
2023	583,426
2024	347,420
2025	93,989
Thereafter	-
Total	<u>\$ 2,212,536</u>

Actuarial Assumptions – The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

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

Mortality assumptions for the FRS Pension Plan were based on the PUB-2010 base table, projected generationally with Scale MP-2018. Actuarial assumptions used in the July 1, 2020 valuation, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Long-Term Expected Rate of Return - The long-term expected rate of return assumption of 6.8 percent consists of two building block components: 1) a real (in excess of inflation) return of 4.30 percent, consistent with capital market outlook model developed during 2020 by the outside investment consultant to the Florida State Board of Administration; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2020 by the FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting standards.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

**Notes to the Financial Statements
September 30, 2020**

6. RETIREMENT PLANS-Florida Retirement System (Continued)

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate (property)	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Assumed Inflation – Mean			2.4%	1.7%

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

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

	<u>1% Decrease (5.80%)</u>	<u>Current Discount Rate (6.80%)</u>	<u>1% Increase (7.80%)</u>
Council's proportionate share of the net pension liability	\$ 10,477,947	\$ 6,561,709	\$ 3,290,851

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

6. RETIREMENT PLANS-Florida Retirement System (Continued)

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

Payables to the Pension Plan - At September 30, 2020, the Council reported a payable in the amount of \$79,340 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2020.

HIS Plan

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

Benefits Provided - For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the HIS contribution for the period October 1, 2019 through September 30, 2020 was 1.66%. The Council contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled. The Council's contributions to the HIS Plan totaled \$8,720 for the fiscal year ended September 30, 2020.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

**Notes to the Financial Statements
September 30, 2020**

6. RETIREMENT PLANS-Florida Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2020, the Council reported a liability of \$2,079,499 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Council's proportionate share of the net pension liability was based on the Council's 2019-20 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At June 30, 2020, the Council's proportionate share was .017006769 percent, which was an increase of .000269166 percent from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the Council recognized HIS pension expense of \$140,695. In addition, the Council reported deferred outflows of resources and deferred in flows of resources related to the HIS plan from the following sources:

Description	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 84,941	\$ 1,602
Change of assumptions	223,283	120,740
Net difference between projected and actual earnings on HIS Plan investments	1,658	-
Changes in proportion and differences between Council HIS Plan contributions and proportionate share of contributions	214,142	-
Council HIS Plan contributions subsequent to the measurement date	<u>25,271</u>	<u>-</u>
Total	<u>\$ 549,295</u>	<u>\$ 122,342</u>

The deferred outflows of resources related to the HIS Plan, totaling \$25,271 resulting from Council contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

**Notes to the Financial Statements
September 30, 2020**

6. RETIREMENT PLANS-Florida Retirement System (Continued)

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

Fiscal Year Ending September 30:	Amount
2021	\$ 118,746
2022	93,652
2023	54,378
2024	51,110
2025	48,274
Thereafter	35,522
Total	<u>\$ 401,682</u>

Actuarial Assumptions – The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 %
Salary increases	3.25%, average, including inflation.
Municipal bond rate	2.21%

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

Discount Rate - The discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate adopted by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

**Notes to the Financial Statements
September 30, 2020**

6. RETIREMENT PLANS-Florida Retirement System (Continued)

Sensitivity of the Council's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Council's proportionate share of the net pension liability calculated using the discount rate of 2.21%, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Council's proportionate share of the net pension liability	\$ 2,400,340	\$ 2,076,499	\$ 1,811,436

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

Payables to the Pension Plan - At September 30, 2020, the Council reported a payable in the amount of \$814 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2020.

Deferred Compensation Plan

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

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

General Information about the OPEB Plan

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

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

Employees covered by the benefit terms- As of September 30, 2020, there are no retirees participating in the group health program, and seventy-five (75) active employees with health insurance coverage. There are four (4) active employees without coverage who are assumed not to elect retiree health coverage and do not generate GASB Statement No.75 liabilities.

Total OPEB Liability

The Council's total OPEB liability of \$119,934 was measured as of September 30, 2020 and was determined by an interim actuarial valuation as of that date.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

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

Actuarial assumptions and other inputs: The total OPEB liability in the September 30, 2020 interim actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	2.41%
Inflation Rate:	2.60%
Healthcare Trend Rate	7.50%
Retiree's Cost Sharing	Borne by the retiree

The payroll growth assumption is based on the Florida Retirement Systems actuarial valuation as of July 1, 2018.

Mortality rates used for healthy retirees were based on Pub 2010 General Employee Mortality Table, Headcount weighted, Fully Generational using scale MP-2018, while rates for Surviving Spouses were based on Pub 2010 Contingent Survivor Mortality Table, Headcount weighted, Fully Generational using scale MP-2018.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as at 9/30/2019	\$ 104,172
Changes for the fiscal year:	
Service Cost	15,691
Interest	3,255
Changes of benefit terms	-
Differences between expected and actual experience	(2,012)
Changes in assumptions for other inputs	1,851
Benefit payments	(3,023)
Net changes	15,762
Balance at 9/30/2020	\$ 119,934

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

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

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

The following presents the total OPEB liability of the Council, as well as what the Council's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.41%), or one percentage higher (3.41%) than the current discount rate:

	1% Decrease (1.41%)	Discount Rate (2.41%)	1% Increase (3.41%)
Total OPEB Liability	\$124,917	\$119,934	\$114,325

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

The following presents the total OPEB liability of the Council, as well as what the Council's total OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower (6.50%), or one percentage higher (8.50%) than the current healthcare trend rate:

	1% Decrease (6.50%)	Healthcare Trend Rate (7.50%)	1% Increase (8.50%)
Total OPEB Liability	\$101,983	\$119,934	\$141,080

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB-For the fiscal year ended September 30, 2020; the Council recognized OPEB expense of \$1,243. The Council reported deferred inflows of resources related to OPEB from the following sources:

Description:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 35,567
Changes of assumptions or other inputs	2,533	40,947
Total	<u>\$ 2,533</u>	<u>\$ 76,514</u>

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

**Notes to the Financial Statements
September 30, 2020**

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

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

Fiscal Year Ending September 30:	<u>Amount</u>
2021	\$ 17,703
2022	17,703
2023	17,703
2024	17,696
2025	3,176
Thereafter	-
Total	<u>\$ 73,981</u>

8. INSURANCE ACTIVITIES

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

**Notes to the Financial Statements
September 30, 2020**

9. COMMITMENTS AND CONTINGENCIES

Operating Leases:

The Council is committed under various operating leases for office equipment through fiscal year 2020. Lease expenditures for office equipment for the fiscal year ended September 30, 2020 amounted to \$18,145. Future minimum base lease payments for these leases are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Minimum Equipment Lease Payment</u>
2021	\$ 14,157
2022	2,189
	<u>\$ 16,346</u>

Encumbrances:

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2019 that will be re-appropriated in the subsequent year are as follows:

General Fund:	
Program Services	\$ 6,265,584
Program Support & General Administration	87,227
Facilities Reserves	164,418
Capital Outlay	<u>276,225</u>
Total Encumbrances	<u>\$ 6,793,454</u>

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

**Notes to the Financial Statements
September 30, 2020**

10. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities for fiscal year ended September 30, 2020:

	Beginning Balance			Ending Balance	Amount Due Within One Year
	Oct 1, 2019	Increases	Decreases	Sept 30, 2020	
Compensated Absences:					
Vacation Accrual	\$ 797,781	\$ 463,176	\$ (316,151)	944,806	\$ 94,481
Sick Leave Accrual	212,181	151,940	(108,495)	255,626	25,562
Net Pension Liability:					
Florida Retirement System*	5,031,064	1,530,645	-	6,561,709	-
Health Insurance Subsidy	1,872,770	203,729	-	2,076,499	-
OPEB Liability	104,172	15,762	-	119,934	-
Total Long Term Liabilities	\$ 8,017,968	\$ 2,365,252	\$ (424,646)	\$ 9,958,574	\$ 120,043

* Restated

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

11. FUND BALANCE

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

- *Nonspendable Fund Balance* – amounts that are not in spendable form or are legally or contractually required to be maintained intact. The Council classified \$185,322 of prepaid items as Nonspendable since these items are not expected to be converted to cash.
- *Restricted Fund Balance* – amounts constrained to specific purposes by external providers (such as grantors) or imposed by law through constitutional provisions, or by enabling legislation. The Council does not have any Restricted Fund Balance.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

11. FUND BALANCE, (Continued)

- *Committed Fund Balance* – amounts constrained to specific purposes by the formal action of the Council itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Council Members take the same highest-level action (i.e., Resolution or Issue Paper) to remove or change the constraint. The Council committed \$3,000,000 to Fund Balance for Building Fund to prepare for future growth.
- *Assigned Fund Balance* – amounts the Council intends to use for a specific purpose but are neither restricted nor committed. Intent can be expressed by the Council Members or by an official to which the Council Members delegates authority. The Council has a total of \$10,293,454 in Assigned Fund Balance, which can be further classified as follows: (1) Assigned for Outstanding Encumbrances, \$6,793,454, and (2) Assigned for Subsequent Year's Budget, \$3,580,890. This latter amount was assigned for programmatic purposes and appropriated in the subsequent year's budget to offset additional ad valorem taxes.
- *Unassigned Fund Balance* – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. The Council adopted a minimum fund balance policy to be used for unanticipated emergencies of approximately 8% to 10% of the budgeted expenditures. This minimum fund amount of Unassigned Fund Balance for the FY20 is \$10,125,618. The remaining Unassigned Fund Balance is \$17,865,916.

12. GRANT FUNDING

Funding agreements for grants are executed on an annual basis. The release of funds is subject to terms and deliverables agreed upon with the grantor agencies. As of September 30, 2020, the Council reported \$2,794,195 of grant funding which includes \$416,836 of State matching funds from the State of Florida Department of Children and Families, as well as \$2,377,359 grant funding from the Antiterrorism and Emergency Assistance Program (AEAP). The State matching funds are not subject to Florida Single Audit. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements

September 30, 2020

13. RISKS AND UNCERTAINTIES

During March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and counties, could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements because of this uncertainty.



Required Supplementary Information

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
General Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget to Actual
Fiscal Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Ad Valorem Taxes	\$ 93,454,682	\$ 93,454,682	\$ 93,181,490	\$ (273,192)
Grant Funding	156,000	2,865,609	2,794,195	(71,414)
Investment Earnings	200,000	200,000	955,209	755,209
Miscellaneous Local	896,391	1,297,645	1,232,535	(65,110)
Total Revenues	94,707,073	97,817,936	98,163,429	345,493
Expenditures:				
Program Services and Support:				
Program Services	86,856,851	89,989,264	68,618,686	21,370,578
Monitoring/Outcome Materials	88,000	88,040	67,793	20,247
Employee Salaries and Benefits	6,636,780	6,732,360	5,976,127	756,233
Other Consultants	10,000	15,149	9,699	5,450
Material and Supplies	7,770	7,770	1,017	6,753
Printing and Advertising	7,000	7,000	4,218	2,782
Software Maintenance	78,160	30,103	24,155	5,948
Travel and Other Expenditures	140,019	182,942	75,975	106,967
Total Program Services and Support	93,824,580	97,052,628	74,777,670	22,274,958
General Administration:				
Employee Salaries and Benefits	3,175,802	3,058,617	2,632,128	426,489
Legal Fees	40,000	40,000	30,710	9,290
Auditors and Other Consultants	101,900	101,900	53,281	48,619
Materials and Supplies	51,945	51,945	31,202	20,743
Printing and Advertising	22,670	22,670	7,178	15,492
Other General Administration	788,665	728,064	404,918	323,146
Telecommunications	63,000	63,000	53,176	9,824
Travel and Other Expenditures	168,895	206,268	117,033	89,235
Tax Collection Fees	618,290	618,290	614,626	3,664
Community Redevelopment Area Fees	3,273,777	3,273,777	2,904,369	369,408
Total General Administration	8,304,944	8,164,531	6,848,621	1,315,910

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
General Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget to Actual
Fiscal Year Ended September 30, 2020, (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Capital Outlay:				
Computer Hardware/Software	360,211	318,697	112,520	206,177
Furniture/ Equipment	10,000	50,000	28,180	21,820
Improvements other than Building	-	24,742	1,514	23,228
Total Capital Outlay	<u>370,211</u>	<u>393,439</u>	<u>142,214</u>	<u>251,225</u>
Total Expenditures	<u>102,499,735</u>	<u>105,610,598</u>	<u>81,768,505</u>	<u>23,842,093</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (7,792,662)</u>	<u>\$ (7,792,662)</u>	16,394,924	<u>\$ 24,187,586</u>
Beginning Fund Balance			<u>25,075,386</u>	
Ending Fund Balance			<u>\$ 41,470,310</u>	

NOTE: GAAP serves as the budgetary basis.

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

	2020	2019***	2018
Children's Services Council of Broward County's proportion of the net pension liability	0.0151395620%	0.0146091890%	0.0141696770%
Children's Services Council of Broward County's proportionate share of the net pension liability	\$ 6,561,709	\$ 5,031,064	\$ 4,267,980
Children's Services Council of Broward County's covered payroll	\$ 5,902,575	\$ 5,599,625	\$ 5,261,889
Children's Services Council of Broward County's proportionate share of the net pension liability as a percentage of its covered payroll	111.17%	89.85%	81.11%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%

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

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

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

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

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

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

	2020	2019	2018
Contractually required contribution	\$ 699,118	\$ 620,901	\$ 565,166
Contributions in relation to the contractually required contribution	(699,118)	(620,901)	(565,166)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Children's Services Council of Broward County's covered payroll	\$ 6,009,485	\$ 5,651,279	\$ 5,347,394
Contribution as a percentage of covered payroll	11.63%	10.99%	10.57%

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

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

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

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

	2020	2019	2018
Children's Services Council of Broward County's proportion of the net pension liability	0.0170067690%	0.0167376030%	0.0161103680%
Children's Services Council of Broward County's proportionate share of the net pension liability	\$ 2,076,499	\$ 1,872,770	\$ 1,705,139
Children's Services Council of Broward County's covered payroll	\$ 5,902,575	\$ 5,599,625	\$ 5,261,889
Children's Services Council of Broward County's proportionate share of the net pension liability as a percentage of its covered payroll	35.18%	33.44%	32.41%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%

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

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

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

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

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

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

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

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
Schedule of Changes in Total OPEB Liability and Related Ratios
Fiscal Year Ended September 30, 2020

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

Notes to Schedule:

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

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

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



STATISTICAL SECTION

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

**Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2020**

STATISTICAL SECTION

TABLE OF CONTENTS

Financial Trends

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

Net Position by Component - Last Ten Fiscal Years	86
Changes in Net Position - Last Ten Fiscal Years	88
Fund Balance, Governmental Funds - Last Ten Fiscal Years	90
Changes in Fund Balance, Governmental Funds - Last Ten Fiscal Years	92

Revenue Capacity

These schedules contain information to help the reader assess the Council's most significant local revenue source, the property tax.

Assessed Value and Actual Value of Taxable Property- Last Ten Fiscal Years	94
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	96
Principal Property Taxpayers - Current Year and Nine Years Ago	98
Property Tax Levies and Collections - Last Ten Fiscal Years	100

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Council's financial activities take place.

Demographic and Economic Statistics Last Ten Fiscal Years	102
Principal Employers - Current Year and Nine Years Ago	104

Operating Information

These schedules contain service data to help the reader understand how the information in the Council's financial report relates to the services provided and the activities performed.

Full Time Equivalent Employees by Function	106
Operating Indicators	107
Program Budget Indicators	108

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

Governmental Activities

<u>Fiscal Year</u>	<u>Investment in Capital Assets</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total primary government net position</u>
2011	8,806,970	-	13,209,406	22,016,376
2012	8,504,223	-	12,438,335	20,942,558
2013	8,207,025	-	13,179,921	21,386,946
2014	7,998,742	-	12,582,381	20,581,123
2015	7,755,161	-	10,030,009	17,785,170
2016	7,420,106	-	10,527,935	17,948,041
2017	7,284,713	-	12,130,721	19,415,434
2018	7,510,054	-	13,648,440	21,158,494
2019	7,335,452	-	19,157,118	26,492,570
2020	7,004,338	3,000,000	31,230,841	41,235,179

20 Years
Nurturing
Children
and
Families



CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Year</u> <u>2014</u>
Expenses				
Governmental activities:				
Program Services:				
Program Services	\$ 52,760,094	\$ 53,530,318	\$ 53,775,633	\$ 56,159,891
Program Administration	2,970,323	3,045,224	3,298,033	3,610,414
Total Program Services	<u>55,730,417</u>	<u>56,575,542</u>	<u>57,073,666</u>	<u>59,770,305</u>
General Administration:				
Personal Services	1,489,677	1,428,134	1,425,869	1,588,115
Materials and Services	971,462	897,537	974,491	1,042,529
Community Redevelopment and Tax Collector Fees	1,762,748	1,679,586	1,716,448	1,856,081
Total General Administration	<u>4,223,887</u>	<u>4,005,257</u>	<u>4,116,808</u>	<u>4,486,725</u>
Total primary government expenses	<u>\$ 59,954,304</u>	<u>\$ 60,580,799</u>	<u>\$ 61,190,474</u>	<u>\$ 64,257,030</u>
Program Revenues				
Governmental activities:				
Grant Funding, Restricted	\$ 271,384	\$ 883,762	\$ 824,043	\$ 710,891
Total primary government program revenue	<u>\$ 271,384</u>	<u>\$ 883,762</u>	<u>\$ 824,043</u>	<u>\$ 710,891</u>
Net (Expense)/Revenue				
Total primary government net expense	<u>\$ 59,682,920</u>	<u>\$ 59,697,037</u>	<u>\$ 60,366,431</u>	<u>\$ 63,546,139</u>
General Revenues & Other Changes in Net Position				
Governmental activities:				
Property Taxes	\$ 57,795,765	\$ 57,483,644	\$ 59,584,505	\$ 61,362,297
Investment Earnings	111,354	152,865	90,651	16,012
Grant Funding, Unrestricted	2,572,867	343,463	340,968	391,872
Miscellaneous	487,777	643,247	794,695	970,135
Total primary government	<u>\$ 60,967,763</u>	<u>\$ 58,623,219</u>	<u>\$ 60,810,819</u>	<u>\$ 62,740,316</u>
Changes in Net Position				
Total primary government	<u>\$ 1,284,843</u>	<u>\$ (1,073,818)</u>	<u>\$ 444,388</u>	<u>\$ (805,823)</u>

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 58,931,114	\$ 61,201,151	\$ 65,126,956	\$ 71,309,031	\$ 72,311,772	\$ 68,686,479
4,263,718	6,178,792	6,460,890	6,378,356	6,451,480	6,850,451
<u>63,194,832</u>	<u>67,379,943</u>	<u>71,587,846</u>	<u>77,687,387</u>	<u>78,763,252</u>	<u>75,536,930</u>
1,704,943	2,004,709	2,341,237	2,547,538	2,873,911	3,252,753
945,109	937,488	928,985	948,319	1,077,493	1,112,279
2,043,045	2,393,301	2,782,040	3,016,175	2,875,492	3,518,995
4,693,097	5,335,498	6,052,262	6,512,032	6,826,896	7,884,027
<u>\$ 67,887,929</u>	<u>\$ 72,715,441</u>	<u>\$ 77,640,108</u>	<u>\$ 84,199,419</u>	<u>\$ 85,590,148</u>	<u>\$ 83,420,957</u>
\$ 1,084,831	\$ 1,362,375	\$ 1,209,290	\$ 1,112,377	\$ -	\$ -
<u>\$ 1,084,831</u>	<u>\$ 1,362,375</u>	<u>\$ 1,209,290</u>	<u>\$ 1,112,377</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 66,803,098</u>	<u>\$ 71,353,066</u>	<u>\$ 76,430,818</u>	<u>\$ 83,087,042</u>	<u>\$ 85,590,148</u>	<u>\$ 83,420,957</u>
\$ 65,140,776	\$ 70,246,887	\$ 75,990,468	\$ 82,432,099	\$ 88,063,546	\$ 93,181,490
90,344	155,748	419,042	857,633	1,388,744	955,209
181,858	261,131	189,655	253,591	152,956	2,794,195
859,668	852,171	1,199,909	1,288,106	1,318,978	1,232,535
<u>\$ 66,272,646</u>	<u>\$ 71,515,937</u>	<u>\$ 77,799,074</u>	<u>\$ 84,831,429</u>	<u>\$ 90,924,224</u>	<u>\$ 98,163,429</u>
<u>\$ (530,452)</u>	<u>\$ 162,871</u>	<u>\$ 1,368,256</u>	<u>\$ 1,744,387</u>	<u>\$ 5,334,076</u>	<u>\$ 14,742,472</u>

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

(modified accrual basis of accounting)

General Fund

Fiscal Year	Nonspendable Fund Balance	Committed Fund Balance	Assigned Fund Balance	Unassigned Fund Balance	Total General Fund
2011	95,387	-	3,936,835	9,807,825	13,840,047
2012	98,174	-	3,247,891	9,758,362	13,104,427
2013	92,520	-	3,797,311	9,970,735	13,860,566
2014	76,899	-	4,291,669	8,957,185	13,325,753
2015	88,763	-	4,233,858	8,815,025	13,137,646
2016	86,691	-	5,507,406	8,506,123	14,100,220
2017	187,407	-	5,470,758	10,533,309	16,191,474
2018	225,777	-	6,815,653	11,388,991	18,430,421
2019	228,307	-	7,824,448	17,022,631	25,075,386
2020	185,322	3,000,000	10,293,454	27,991,534	41,470,310

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

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

(modified accrual basis of accounting)

	Fiscal			Year
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues				
Ad Valorem Taxes	\$ 57,795,765	\$ 57,483,644	\$ 59,584,505	\$ 61,362,297
Investment Earnings	111,354	152,865	1,165,011	1,102,763
Miscellaneous Local	487,777	643,246	90,651	16,012
Grant Funding	2,844,251	1,227,225	794,695	970,135
Total revenues	61,239,147	59,506,980	61,634,862	63,451,207
Expenditures				
Program Services and Support	55,717,450	56,557,169	57,002,621	59,683,292
General Administration	3,773,091	3,628,128	3,764,685	4,087,449
Capital Outlay	136,019	57,303	111,417	215,279
Total expenditures	59,626,560	60,242,600	60,878,723	63,986,020
Net change in fund balance	\$ 1,612,587	\$ (735,620)	\$ 756,139	\$ (534,813)

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2019</u>	<u>2020</u>
\$ 65,140,776	\$ 70,246,887	\$ 75,990,468	\$ 82,432,099	\$ 88,063,546	\$ 88,063,546	\$ 93,181,490
1,266,689	1,623,506	1,398,945	1,365,968	152,956	152,956	955,209
90,344	155,748	419,042	857,633	1,388,744	1,388,744	1,232,535
859,668	852,171	1,199,909	1,288,106	1,318,978	1,318,978	2,794,195
<u>67,357,477</u>	<u>72,878,312</u>	<u>79,008,364</u>	<u>85,943,806</u>	<u>90,924,224</u>	<u>90,924,224</u>	<u>98,163,429</u>
63,077,687	67,032,175	71,271,782	77,678,631	78,030,206	78,030,206	74,777,670
4,289,213	4,759,810	5,426,467	5,859,409	5,951,181	5,951,181	6,848,621
178,684	123,753	218,861	166,819	297,872	297,872	142,214
<u>67,545,584</u>	<u>71,915,738</u>	<u>76,917,110</u>	<u>83,704,859</u>	<u>84,279,259</u>	<u>84,279,259</u>	<u>81,768,505</u>
<u>\$ (188,107)</u>	<u>\$ 962,574</u>	<u>\$ 2,091,254</u>	<u>\$ 2,238,947</u>	<u>\$ 6,644,965</u>	<u>\$ 6,644,965</u>	<u>\$ 16,394,924</u>

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

(In thousands of dollars)

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Industrial Property	Other (1)
2011	114,761,706	28,197,014	9,407,282	20,617,810
2012	114,542,886	26,163,726	8,662,382	21,167,178
2013	114,660,766	25,878,787	8,542,371	21,246,559
2014	122,019,311	26,028,235	8,669,350	21,273,472
2015	140,193,523	26,740,443	9,285,153	21,699,215
2016	156,152,081	28,616,976	9,397,569	21,820,864
2017	183,297,977	34,796,819	11,300,024	22,649,372
2018	196,493,535	36,132,281	12,280,938	23,053,273
2019	208,284,424	38,272,374	13,500,718	23,484,703
2020	215,913,345	39,947,198	13,968,801	24,108,135

Source: Broward County Property Appraiser

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

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

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

Property in Broward County is reassessed annually.

Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Council Tax Rate (2)
38,422,067	134,561,745	0.4696
38,094,078	132,442,094	0.4789
37,637,272	132,691,211	0.4902
37,747,627	140,242,741	0.4882
38,053,693	159,864,641	0.4882
38,455,766	177,531,724	0.4882
40,062,909	211,981,283	0.4882
41,013,989	226,946,038	0.4882
41,925,149	241,617,070	0.4882
43,090,367	250,847,112	0.4882

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

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

Fiscal Year	Council			Overlapping Rates (a)		
	Basic Direct Rate	Debt Service Rate	Total Rate	Broward County (a)	School Board of Broward County	South Florida Water Management District
2010	0.4243	-	0.4243	5.3889	7.4310	0.6240
2011	0.4696	-	0.4696	5.5530	7.6310	0.6240
2012	0.4789	-	0.4789	5.5530	7.4180	0.4363
2013	0.4902	-	0.4902	5.5530	7.4560	0.4289
2014	0.4882	-	0.4882	5.7230	7.4800	0.4110
2015	0.4882	-	0.4882	5.7230	7.4380	0.3842
2016	0.4882	-	0.4882	5.7230	7.2740	0.3551
2017	0.4882	-	0.4882	5.6690	6.5394	0.3100
2018	0.4882	-	0.4882	5.6690	6.4029	0.2936
2019	0.4882	-	0.4882	5.6690	6.7393	0.2795
2020	0.4882	-	0.4882	5.6690	6.5052	0.2675

Source: Broward County Revenue Collection Division

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

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

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

2011			
Taxpayer	Taxes Levied	Rank	Percent to Aggregate Taxes Levied
Florida Power & Light Company	\$ 36,129	1	1.16%
Diplomat Properties Ltd.	10,430	2	0.33%
Pembroke Lakes Mall Ltd.	8,123	3	0.26%
Palm Vacation Group	6,635	4	0.21%
Publix Supermarkets, Inc.	5,574	6	0.18%
Sunrise Mills Ltd	4,250	7	0.14%
Marriott Ownership Resorts Inc.	3,386	8	0.11%
Harbor Beach Property LLC	3,246	9	0.10%
HC Miramar Properties, LLC	3,206	10	0.10%
Diplomat Hotel Owner LLC.			0.00%
Wal-Mart Stores East	-		0.00%
AT&T Florida			0.00%
NXRT Pembroke LLC.			0.00%
City of Fort Lauderdale			0.00%
TAF GG Las Olas LP			0.00%
Total principal taxpayers	<u>\$ 80,979</u>		<u>2.59%</u>

Source: Broward County Revenue Collector

2020

Taxes Levied	Rank	Percent to Aggregate Taxes Levied
70,996	1	1.54%
-		0.00%
-		0.00%
-		0.00%
7,411	5	0.16%
16,065	2	0.35%
-		0.00%
4,692	8	0.10%
-		0.00%
9,295	3	0.23%
8,040	4	0.17%
5,760	6	0.14%
5,244	7	0.13%
4,038	9	0.10%
3,806	10	0.08%
<u>\$ 135,347</u>		<u>3.01%</u>

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

Fiscal Year Ended September 30,	Total Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	61,318,170	57,368,232	93.6%	159,486
2012	60,801,037	57,457,936	94.5%	(75,855)
2013	62,564,907	59,460,641	95.0%	(188,712)
2014	64,738,551	61,482,355	95.0%	(153,822)
2015	69,070,390	65,274,088	94.5%	66,165
2016	73,794,596	70,095,209	95.0%	76,507
2017	79,787,967	75,867,788	95.1%	44,801
2018	86,905,516	82,347,473	94.8%	52,436
2019	92,864,670	87,982,591	94.7%	19,211
2020	98,373,350	93,116,487	94.7%	-

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

Total Collections to Date

Amount	Percentage of Levy
57,527,718	93.8%
57,382,081	94.4%
59,271,929	94.7%
61,328,533	94.7%
65,340,253	94.6%
70,171,716	95.1%
75,912,588	95.1%
82,399,909	94.8%
88,001,802	94.8%
93,116,487	94.7%

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

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (3)
2011	1,780,172	76,133,577	42,768	39.7
2012	1,815,137	76,687,882	43,351	40.0
2013	1,838,844	80,525,783	43,792	39.9
2014	1,869,235	80,905,552	43,283	39.9
2015	1,896,425	85,167,498	44,909	40.0
2016	1,909,632	89,572,271	46,906	40.0
2017	1,935,878	94,239,376	48,680	40.1
2018	1,951,260	98,087,689	50,269	40.5
2019	1,952,778	102,145,579	52,308	40.4
2020	N/A	N/A	N/A	N/A

Source:

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

N/A Not Available

* Includes Charter Schools

* Public School Enrollment (4)	Unemployment Rate (5)
256,872	9.30%
258,803	7.60%
260,564	5.60%
262,563	5.20%
265,401	4.70%
268,836	4.60%
271,105	3.30%
271,517	2.80%
270,550	2.80%
267,970	7.80%

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

2011

Employer (1)	Employees	Rank	Percentage of Total County Employment
Broward School Board*	26,933	1	3.0%
Motorola	11,089	2	1.2%
Memorial Healthcare System*	10,700	3	1.2%
Broward County Government*	8,207	4	0.9%
Pediatrix Medical Group	3,971	5	0.4%
American Express	3,000	6	0.3%
Ed Morse Automotive Group	2,800	7	0.3%
City of Pembroke Pines	2,800	8	0.3%
Interbond Corp. of America dba BrandsMart USA	2,600	9	0.3%
Autonation	2,487	10	0.3%
Total	74,587		8.2%

* Includes both full time and part time employees

Sources:

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

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

2020

Employer (1)	Employees (1)	Rank	Percentage of Total County Employment (2)
Broward School Board*	34,218	1	3.3%
Broward County Government*	25,574	2	2.5%
Memorial Healthcare System*	11,200	3	1.1%
Broward Health*	9,882	4	1.0%
Nova Southeastern	6,234	5	0.6%
FirstService Residential	5,400	6	0.5%
Broward College*	4,723	7	0.5%
City of Fort Lauderdale	2,847	8	0.3%
City of Hollywood	1,419	9	0.1%
City of Pembroke Pines	1,277	10	0.1%
Total	102,774		10.0%

* Includes both full time and part time employees

Sources:

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

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

Full-time Equivalent Employees as of September 30,	Program Support	General Administration	Grand Total
2011	37	16	53
2012	41	16	57
2013	42	16	58
2014	45	17	62
2015	48	15	63
2016	49	17	66
2017	51	18	69
2018	56	20	76
2019	55	20	75
2020	57	21	78

Source: Children's Services Council, Finance Administration

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

Utilization

Contract/Program Services	Amount	Actual	Under- utilized (c)	Unallocated (d)
	Under Contract (a)	Expenditures (b)		
<u>Fiscal Year</u>				
2011	99%	96%	3%	1%
2012	99%	95%	4%	1%
2013	99%	94%	5%	1%
2014	100%	96%	4%	0%
2015	99%	94%	5%	0%
2016	100%	94%	6%	0%
2017	99%	92%	7%	0%
2018	100%	93%	7%	0%
2019	98%	87%	11%	1%
2020	100%	76%	24%	0%

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

General Fund Total Expenditures as a percentage of revenues

<u>Fiscal Year</u>	<u>Budget (e)</u>	<u>Actual (f)</u>
2011	105%	97%
2012	107%	101%
2013	105%	99%
2014	106%	101%
2015	106%	100%
2016	106%	99%
2017	107%	97%
2018	106%	97%
2019	108%	90%
2020	108%	83%

Budget (e) Actual (f)

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

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

	Years			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
	Budget	Budget	Budget	Budget
Family Strengthening	\$ 11,279,033	\$ 11,894,698	\$ 12,083,464	\$ 12,342,529
Child Welfare/Adoption Promotion	135,000	135,000	160,000	160,000
Youth Development	5,969,318	6,105,422	6,892,313	7,061,103
Delinquency Prevention	2,964,398	2,988,398	3,018,398	3,299,074
Independent Living	1,575,000	1,575,000	1,620,200	1,705,743
Special Needs	9,930,834	9,735,281	9,732,320	9,826,260
Out of School Time	11,937,672	12,060,942	11,057,680	11,595,555
Early Child Education	6,764,045	6,682,700	7,306,189	7,527,142
Physical Health	2,002,631	1,951,276	1,952,276	1,973,941
System Goals	1,963,019	2,161,593	2,298,712	2,444,562
Unallocated	202,241	60,629	8,154	63,074
TOTAL	\$ 54,723,191	\$ 55,350,939	\$ 56,129,706	\$ 57,998,983

Source: Children's Services Council, Finance Administration

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
	Budget	Budget	Budget	Budget	Budget	Budget
\$	13,368,082	\$ 14,634,489	\$ 14,625,683	\$ 14,625,683	\$ 16,781,607	\$ 22,197,880
	160,000	201,425	449,023	449,023	1,422,920	2,400,259
	8,105,573	8,565,486	9,913,146	9,913,146	11,558,299	12,525,294
	3,819,116	3,882,289	3,693,789	3,693,789	3,506,464	3,601,728
	1,793,734	1,938,078	3,453,678	3,453,678	3,716,788	3,803,739
	10,544,491	11,262,154	11,615,565	11,615,565	13,210,547	13,915,052
	12,305,000	12,510,258	12,739,048	12,739,048	14,829,189	15,323,467
	6,964,718	7,101,288	8,331,244	8,331,244	10,509,308	10,266,787
	2,169,334	2,413,343	2,579,085	2,579,085	3,121,270	3,194,475
	2,147,989	2,176,270	2,945,616	2,945,616	2,946,182	2,835,684
	78,262	183,623	177,863	177,863	1,074,857	12,939
\$	61,456,299	\$ 64,868,703	\$ 70,523,740	\$ 70,523,740	\$ 82,677,431	\$ 90,077,304

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COMPLIANCE SECTION



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

To the Members of the Council of
Children's Services Council of Broward County
Lauderhill, 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 each major fund of the Children's Services Council of Broward County (the "Council") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated **February XX, 2021**.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

DRAFT

Caballero Fierman Llerena & Garcia, LLP
Miramar, Florida
February XX, 2021



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

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

Report on Compliance for Its Major Federal Program

We have audited the Children's Services Council of Broward County's (the "Council") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Council's major federal program for the fiscal year ended September 30, 2020. The Council's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Its Major Federal Program

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the fiscal year ended September 30, 2020.

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

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

DRAFT

Caballero Fierman Llerena & Garcia, LLP
Miramar, Florida
February XX, 2021

**Children's Services Council of Broward County
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020**

Federal Agency, Pass-through Entity, Federal Program	CFDA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
Federal Agency Name:				
Victims of Crime Act-Antiterrorism Emergency Reserve Pass-through:				
Florida Department of Legal Affairs, Office of the Attorney General				
Antiterrorism And Emergency Assistance Program Grant	16.321	2020-V7-GX-0004	\$ 2,377,359	\$ 1,799,889
Total Victims of Crime Act-Antiterrorism Emergency Reserve			2,377,359	1,799,889
Department of Health and Human Services - Pass-through:				
Florida Department of Children and Families -				
Foster Care - Title IV-E	93.658	# YLJ74	332,249	-
Adoption Assitance - Title IV-E	93.659	# YLJ74	84,587	-
Total Department of Health and Human Services -			416,836	-
Total Expenditures of Federal Awards			\$ 2,794,195	\$ 1,799,889

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

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the Children's Services Council of Broward County (the Council) under programs of the federal government for the fiscal year ended September 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position or changes in net position of the Council.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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

Note to auditors: We used 10% admin on the SEFA grant is this the de minimis rate?

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY SCHEDULE OF FINDINGS AND
QUESTIONED COSTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY SCHEDULE OF FINDINGS AND
QUESTIONED COSTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

DRAFT

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Unmodified Opinion

Internal control over financial reporting:
Material weakness(es) identified?

___ yes X no

Significant deficiencies identified?

___ yes X none reported

Non-compliance material to financial statements noted?

___ yes X no

Federal Awards

Internal control over major federal programs:
Material weakness(es) identified?

___ yes X No

Significant deficiencies identified?

___ yes X none reported

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

Unmodified Opinion

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

___ yes X no

Identification of major federal programs:

CFDA No.

Federal Awards Program

16.321

Victims of Crime Act-Antiterrorism Emergency Reserve

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

\$750,000

Auditee qualified as low risk auditee?

___ yes X no

CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

DRAFT

SECTION II – CURRENT YEAR FINANCIAL STATEMENT FINDINGS

None.

SECTION III – CURRENT YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.



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

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

Report on the Financial Statements

We have audited the financial statements of the Children's Services Council of Broward County (the "Council"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated February XX, 2021.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

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

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Council was established by Chapter 19892, Laws of Florida, Act of 1939. In 1955 this was repealed and the Council was re-created under Laws of Florida, Act of 1955. The Council does not have any component units.

Financial Condition and Management

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

Financial Condition and Management (Continued)

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

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

Additional Matters

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

Purpose of this Letter

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

DRAFT

Caballero Fierman Llerena & Garcia, LLP
Miramar, Florida
February XX, 2021



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

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

We have examined the Children's Services Council of Broward County (the "Council") compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2019 to September 30, 2020. Management of the Council is responsible for the Council's compliance with the specified requirements. Our responsibility is to express an opinion on the Council's compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the Council's compliance with specified requirements. In our opinion, the Council complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2019 to September 30, 2020.

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

DRAFT

Caballero Fierman Llerena & Garcia, LLP
Miramar, Florida
February XX, 2021

For Finance Committee Meeting March 1, 2020

Issue: Programmatic Initiatives for FY 20/21

Action: For Discussion Purposes

Budget Impact: To Be Determined.

Background: As presented in the Comprehensive Annual Financial Report for fiscal year ending September 30, 2020, the Council ended the fiscal year with a Fund Balance of \$41.4 million of which \$17.8 million was Unassigned. As the new fiscal year 20/21 is now underway, we are seeing areas of underutilization that Providers will likely be unable to recoup in the way their contracts are currently configured and the budget includes Unallocated placeholders awaiting further review and discussion.

Current Status: The following areas for discussion:

- Trauma/Resiliency has \$4,403,212 currently budgeted in Unallocated in that specific Goal. Ongoing discussions with community members and community leaders have identified several initiatives which are in process: the development of mini-grants for grassroots organizations, the utilization of traditional and niche media to further inform communities of available mental health resources, an Emancipatory Research / CPAR project, as well as a procurement for placed-based trauma informed services where trained community members serve as the primary service providers. These community members will provide outreach, informal counseling support and connections to navigation services for mental health services and other basic needs, such as food. Staff is in conversations with the Medical University of South Carolina, and the Broward Behavioral Health Coalition to develop this cutting-edge model program.
- Positive Youth Development (PYD) Expansion. There is \$2 million currently budgeted in General Unallocated for fiscal year 20/21. Due to the COVID-19 pandemic, in March 2020 Broward County Public Schools shifted to an eLearning platform. The multiple stressors of the pandemic greatly impacted many students and their families with thousands of students not meeting adequate academic progress. Additional services are needed to partner with these youth. CSC's PYD programs have a history of successfully serving high-risk middle and high school students through the provision of success coaching services, and assessment and linkages to counseling and other support services.

If approved by the Council, staff would release a supplemental procurement application for existing PYD providers to expand their services to additional schools that have 80% free and reduced lunch population. As a practical matter, this expansion would need to be maintained through the duration of the RFP through August 31, 2024, as reducing services during a time of such high need would not be prudent.

- The Council may also wish to add additional budget for these or other initiatives directly from Fund Balance. A high-level preliminary estimate for this fiscal year would add \$6 million to the existing Unassigned Fund Balance due to underutilization. However, as a caution, these are one-time funds. While the balance is substantial and may be budgeted over several years, it may not be sustainable for the long-term through ad-valorem taxes.

The specific programmatic needs are slated to be discussed at an upcoming Program Planning Committee (PPC). It is requested that the Finance Committee review the available funding and make recommendations to the PPC regarding spending parameters. All will be brought to the full Council for final approval.

Recommended Action: For Discussion Purposes