

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**



Issued By:

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

Prepared By:

Debra Heim, Chief Financial Officer

# CHILDREN’S SERVICES COUNCIL OF PALM BEACH COUNTY

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## **INTRODUCTORY SECTION**

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March 15, 2024

To the Honorable Chairperson and Council Members  
Children's Services Council of Palm Beach County  
2300 High Ridge Road  
Boynton Beach, Florida 33426

Dear Council Members:

We respectfully submit the Annual Comprehensive Financial Report ("Annual Report") of the Children's Services Council of Palm Beach County (the "Council") as of and for the year ended September 30, 2023. Florida Statutes require that we prepare our financial statements in conformance with United States Generally Accepted Accounting Principles ("GAAP") and that an external audit be performed by an independent certified public accounting firm in accordance with generally accepted auditing standards and government auditing standards.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The unemployment rate in Palm Beach County at September 30, 2023 is 3.3%, which is up slightly from 2022 at 2.8%, and down from 2021 at 4.1%. The latest population estimate prepared by the University of Florida's Bureau of Economic and Business Research is approximately 1.53 million. Projections show the population growing at an estimated annual rate of 0.65% from 2023 through 2050.

Property values in the county have continued to rise. Over the past five years, property values have increased between 5.6% and 14.9%. In January 2024, the research arm of the Florida Legislature, the Office of Economic and Demographic Research (EDR), projected property value increases in Palm Beach County for the next five years to range between 5.0% and 7.5%.

### ***Independent Auditor***

The Council's financial statements have been audited by Marcum LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Children's Services Council for the fiscal year ended September 30, 2023, are free of material misstatement. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The independent audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements, evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that the Council's financial statements for the fiscal year ended September 30, 2023, are fairly presented in all material respects, in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter is designed to

complement the MD&A and should be read in conjunction with it. The Council's MD&A can be found immediately following the report of the independent auditors.

### ***Certificate of Achievement for Excellence in Financial Reporting***

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Children's Services Council of Palm Beach County for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the eleventh consecutive year that the Council has received this prestigious award. In order to be awarded a Certificate of Achievement, the Council published an easily readable and efficiently organized Annual Report. This report satisfied both GAAP and applicable legal requirements.

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

### ***Acknowledgments***

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

Respectfully submitted,

*Lisa Williams-Taylor*

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

*Debra Heim*

Debra Heim  
Chief Financial Officer

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

**LIST OF PRINCIPAL OFFICIALS**

**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**COUNCIL MEMBERS**

Thomas Bean, Chairperson

Jose Luis Rodriguez, Esq., Vice Chairperson

Vincent Goodman, Secretary

Thomas P. Weber

Mike Burke

Judge Kathleen J. Kroll

Bobby Shea

Alexandria Ayala

Sara Baxter

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**EXECUTIVE STAFF**

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

Debra Heim, Chief Financial Officer

Tanya Palmer, Chief Program Officer

John Bartosek, Chief Communications Officer

Robert Kurimski, Chief Technology Officer

Debra Gotlib, General Counsel and Chief of Legislative Affairs

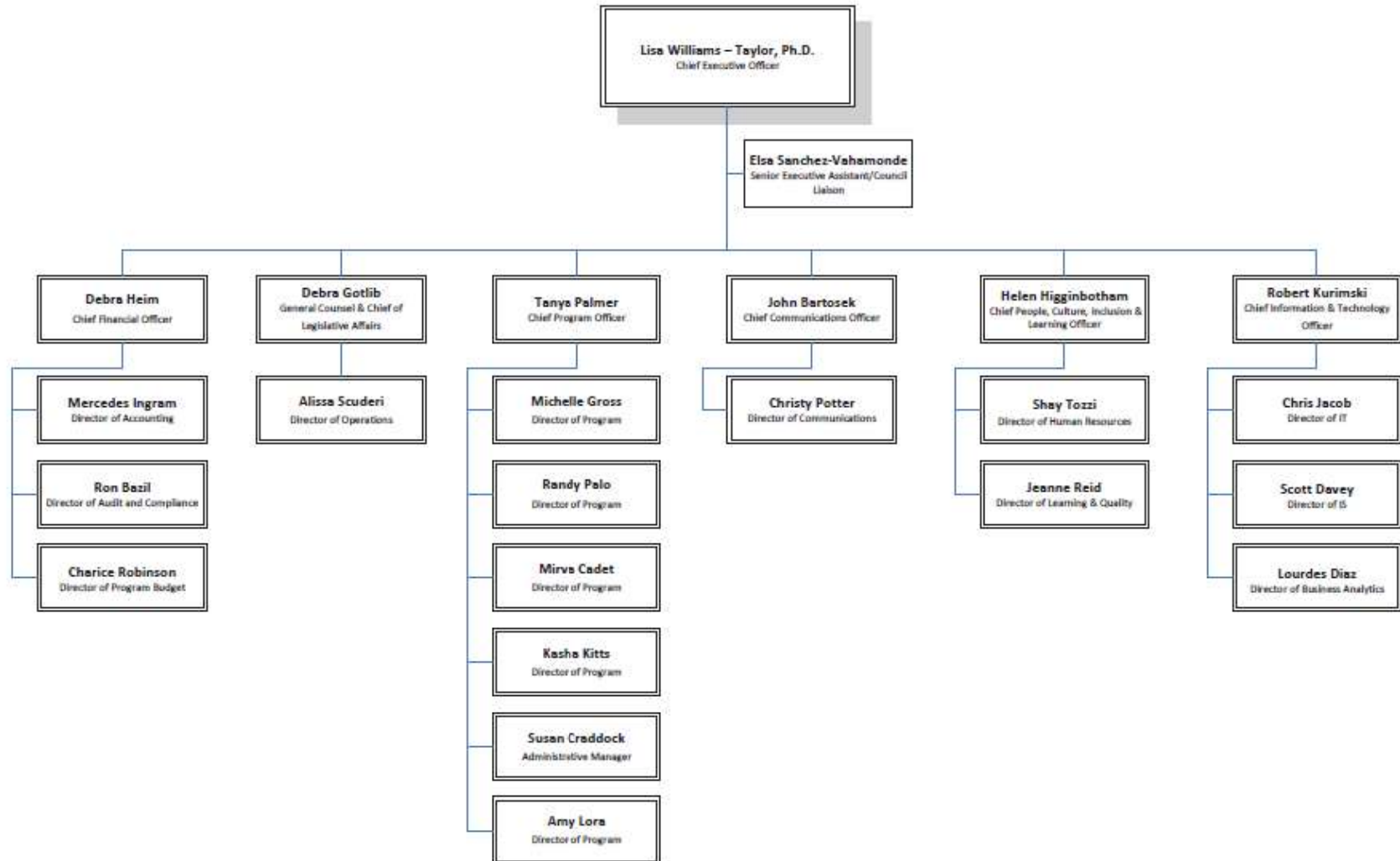
Helen Higginbotham, Chief People, Culture, Inclusion & Learning Officer

# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

## ORGANIZATION CHART

SEPTEMBER 30, 2023

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

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

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**

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# **INDEPENDENT AUDITORS' REPORT**

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of the Children's Services Council of Palm Beach County (the "Council"), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Council, as of September 30, 2023, 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.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 13, and the Schedule of Changes in Total Other Postemployment Benefits (OPEB) Liability and Related Ratios on page 52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary

information in accordance with 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 Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The budget to actual schedules listed in the table of contents as supplementary information and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and Chapter 10.550, Rules of the Auditor General ("Chapter 10.550") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budget to actual schedules and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2024 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Council's internal control over financial reporting and compliance.

*Marcum LLP*

West Palm Beach, FL  
March 15, 2024

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

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## ***Management's Discussion and Analysis***

Our discussion and analysis of the Children's Services Council of Palm Beach County's (the "Council" or "CSC") financial performance provide an overview of the Council's financial activities for the fiscal years ended September 30, 2023, and 2022. Please read it with the transmittal letter on page i and the Council's financial statements, which begin on page 14.

### **Using this Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 14 and 15) provides 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 16. Fund financial statements report the Council's operations in more detail than the government-wide statements by providing information about the Council's most significant funds. For governmental activities, these statements tell how these services were financed in the short term and what remains for future spending. The notes to the financial statements (on pages 22-51) provide additional information essential to a full understanding of data provided in the government-wide and fund financial statements and are required by U.S. generally accepted accounting principles. This report also contains required supplementary information on page 52, other supplemental information on pages 53-58, statistical tables on pages 59-72, and internal control and compliance reports beginning on page 73.

### **Financial Highlights**

- The Council's total assets and deferred outflows of financial resources exceeded liabilities and deferred inflows of financial resources by \$88.2 million (total net position).
- Total net position includes the following:
  - Investment in capital assets of \$14.4 million, net of accumulated depreciation, and
  - Unrestricted net position of \$73.9 million
- The Council's net position increased by \$7.7 million from last fiscal year for a total of \$88.2 million.
- Revenues increased in total by \$7.8 million, 5.7% from the prior year, primarily due to an increase in investment income and ad valorem tax revenue.
- The Council's expenses were \$136.7 million, an increase of \$6.5 million from the prior year. The most significant expenses relate to contracts with providers for children's programs.
- The Council's governmental funds had a total fund balance of \$75.5 million, an increase of \$8.2 million, or 12.2%, from the prior year. Of this \$75.5 million fund balance, \$0.8 million is classified as non-spendable at September 30, 2023; \$13.7 million is classified as assigned for subsequent year expenditures, and \$60.9 million is available for spending at the Council's discretion (unassigned fund balance). The increase is primarily due to under-utilization from provider contracts.

## Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

While some funds are required to be established by state law, currently, the Council uses the General Fund and the Special Revenue Fund, as defined by the Governmental Accounting Standards Board (“GASB”). There are classifications for fund balances to enhance their usefulness and make their categories more easily understood. Additionally, all governments are required to present consistent fund balance classification/information, which improves financial reporting. More information on the fund balance categories and the respective amounts can be found in the Notes to the Financial Statements, pages 28 to 30.

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

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

The Council adopts an annual appropriated budget for both of its governmental funds. Budgetary comparison schedules have been provided for the General Fund and Prevention Partnerships and are on pages 20 and 21 of this report.

### ***Notes to the Financial Statements***

The *Notes to the Financial Statements* provide additional information essential to fully understanding the data provided in the government-wide and fund financial statements. The Notes to the Basic Financial Statements are on pages 22 to 51 of this report.

### ***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. The total other postemployment benefits plan schedule is presented on page 52.

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Children's Services Council of Palm Beach County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$88,230,717 at the close of the most recent year. This is an increase in net position of \$7,719,057, or 9.6%, from the prior year. The increase is primarily attributed to the under-utilization of provider contracts during the year and an increase in investment income.

Net position is comprised of two sections: investment in capital assets and unrestricted. Unrestricted net position totaled \$73,854,440 at September 30, 2023, an increase of \$8,037,608 or 12.2%. Investment in Capital Assets totaled \$14,376,277 at September 30, 2023, a decrease of \$318,551 or 2.2%, primarily related to depreciation expense for the period.

#### **Summary of Net Position – Governmental Activities September 30, 2023 and 2022**

|                                       | <u>2023</u>          | <u>2022</u>          |
|---------------------------------------|----------------------|----------------------|
| <b>ASSETS</b>                         |                      |                      |
| Current and other assets              | \$ 85,162,560        | \$ 77,137,941        |
| Capital assets, net                   | <u>14,376,277</u>    | <u>14,694,828</u>    |
| Total Assets                          | <u>99,538,837</u>    | <u>91,832,769</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> |                      |                      |
| Deferred outflows related to OPEB     | <u>22,308</u>        | <u>38,544</u>        |
| <b>LIABILITIES</b>                    |                      |                      |
| Current liabilities                   | 9,699,849            | 9,896,609            |
| Noncurrent liabilities                | <u>1,426,843</u>     | <u>1,244,148</u>     |
| Total Liabilities                     | <u>11,126,692</u>    | <u>11,140,757</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                      |                      |
| Deferred inflows related to OPEB      | <u>203,736</u>       | <u>218,896</u>       |
| <b>NET POSITION</b>                   |                      |                      |
| Investment in capital assets          | 14,376,277           | 14,694,828           |
| Unrestricted                          | <u>73,854,440</u>    | <u>65,816,832</u>    |
| Total Net Position                    | <u>\$ 88,230,717</u> | <u>\$ 80,511,660</u> |

#### **Total Assets**

Total assets increased in 2023 by \$7,706,068 or 8.39%, primarily due to the net effect of increases in cash and investments of \$7,178,959, other receivables of \$628,049, and prepaid expenses of \$341,348 and decreases in net capital assets of \$318,551 and due from other governmental units of \$120,980. The increase in cash and investments is primarily the result of under-utilization from provider contracts and investment income received related to investments. The increase in prepaid

expenses is due largely to the timing of payments at year end that relate to the subsequent year. The increase in other receivables and the decrease in due from other governmental units is related to the amount and timing of monies reimbursed to the Council from the Healthy Start Coalition (HSC) for program expenditures and from governmental units (Palm Beach County Property Appraiser and Tax Collector). Capital assets decreased primarily due to depreciation expense for the period.

### **Deferred Outflows of Resources**

Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense or an expenditure) until such time. Deferred outflows of financial resources were related to the Council's other postemployment benefits (OPEB) plan and were \$22,308 at September 30, 2023, and \$38,544 at September 30, 2022.

### **Total Liabilities**

Current liabilities decreased by \$196,760, or 2.0%, primarily due to the timing of the receipt of provider invoices. Noncurrent liabilities increased by \$182,695, or 14.7%, due to increases in compensated absences and net of decreases in OPEB. See Notes 8 and 9 for additional information regarding compensated absences and OPEB.

### **Deferred Inflows of Resources**

Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until such time. Deferred inflows of resources were related to the Council's OPEB plan and were \$203,736 at September 30, 2023, and \$218,896 at September 30, 2022.

Net deferred outflows and inflows increased \$1,076 related to OPEB amounts recognized in the current year.

### **Revenues and Expenses**

Revenues for general governmental functions totaled \$144,394,210 in fiscal year 2023, an increase of 5.7% from 2022. Property taxes are the Council's main revenue source, and property taxes produced 93.97% of the revenues in fiscal year 2023 compared to 97.77% in 2022.

|                                               | 2023                  | 2022                  | Percent of Total |                |
|-----------------------------------------------|-----------------------|-----------------------|------------------|----------------|
|                                               |                       |                       | 2023             | 2022           |
| <b>Revenue sources:</b>                       |                       |                       |                  |                |
| Ad valorem property taxes                     | \$ 135,692,657        | \$ 133,598,896        | 93.97%           | 97.77%         |
| Operating grants and contributions            | 3,652,856             | 3,958,583             | 2.53%            | 2.90%          |
| Investment income & unrealized gains/(losses) | 4,897,070             | (1,101,302)           | 3.39%            | (0.81%)        |
| Miscellaneous                                 | 151,627               | 185,863               | 0.11%            | 0.14%          |
| Total                                         | <u>\$ 144,394,210</u> | <u>\$ 136,642,040</u> | <u>100.00%</u>   | <u>100.00%</u> |

Assessed property valuation for Palm Beach County of \$255,872,125,235 for fiscal year 2023 represented a 14.9% increase over \$222,632,308,420 for fiscal year 2022. The Council decreased its millage rate to the rolled-back rate for the fiscal year ended September 30, 2023, which was .5508. The increase in ad valorem property taxes relates to taxable property values of new construction throughout the County. For fiscal years ended September 30, 2023 and September 30, 2022, current tax collection of the total tax levy was 96.1% and 96.2%, respectively. The Council's maximum tax rate is \$1.00 per \$1,000 of assessed tax value.

Property values are assessed as of January 1 of each year and payable between November 1 of the year assessed and March 31 of the following year with discounts of up to 4% for early payment.

Operating grants and contributions include pass through grants from HSC and from direct grants to the Council from the Florida Department of Children and Families (DCF). HSC grants are awarded for Healthy Start statutory services through contracts with the Healthy Start MomCare Network (Network) and the State of Florida, Department of Health (DOH). The grant from DCF is for legal foster care services pursuant to Title IV-E of the Social Security Act. Total operating grants and contributions decreased by \$305,727, or 7.7%, primarily due to a decrease in services rendered under the Network grant, totaling \$297,007, due to a decrease in care coordination and assessments (units of service) provided.

Investment income and unrealized gains received related to investments totaling \$4,897,070 at September 30, 2023, increased by \$5,998,372, or 544.7%. The increase is primarily due to increases in interest rates and increases in market value of the investment portfolio.

Expenses for general governmental purposes totaled \$136,675,153 as compared to \$130,206,097 in the previous year. Changes in levels of expenses for major functions of the Council are shown in the following table:

|                            | 2023                  | 2022                  | Percent of Total |                |
|----------------------------|-----------------------|-----------------------|------------------|----------------|
|                            |                       |                       | 2023             | 2022           |
| <b>Expenses:</b>           |                       |                       |                  |                |
| Program services:          |                       |                       |                  |                |
| Children's programs        | \$ 117,085,194        | \$ 111,892,090        | 85.67%           | 85.94%         |
| Administrative support     | 11,333,989            | 10,771,841            | 8.29%            | 8.27%          |
| Administrative and general | <u>8,255,970</u>      | <u>7,542,166</u>      | <u>6.04%</u>     | <u>5.79%</u>   |
| Total                      | <u>\$ 136,675,153</u> | <u>\$ 130,206,097</u> | <u>100.00%</u>   | <u>100.00%</u> |

Funding for children's programs increased \$5,193,104 or 4.6%, from the previous year. Administrative support and administrative and general expenses for the fiscal year 2023 totaled \$19,589,959 compared to \$18,314,007 for 2022, resulting in a \$1,275,952 increase, or 7.0%.

Several factors contribute to the net increase in children's programs expenses. There were increases related to salaries and benefits of the funded agencies, funding for new programs and expansions of existing programs, and repurposing under-expended monies to fund additional Summer Camp Scholarships and Great Ideas Initiative. These increases were offset by decreases in expenses resulting from under-utilization of provider contracts.

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

The table below presents a summary of the changes in net position for governmental activities for the years ended September 30, 2023, and 2022, as derived from the government-wide statement of activities:

**Summary of Changes in Net Position  
Fiscal Years Ended September 30, 2023 and 2022**

|                                               | <u>2023</u>                 | <u>2022</u>                 |
|-----------------------------------------------|-----------------------------|-----------------------------|
| <b>REVENUES</b>                               |                             |                             |
| Program revenues:                             |                             |                             |
| Operating grants and contributions            | \$ 3,652,856                | \$ 3,958,583                |
| General Revenues:                             |                             |                             |
| Ad valorem taxes                              | 135,692,657                 | 133,598,896                 |
| Investment income & unrealized gains/(losses) | 4,897,070                   | (1,101,302)                 |
| Miscellaneous                                 | 151,627                     | 185,863                     |
| Total Revenues                                | <u>144,394,210</u>          | <u>136,642,040</u>          |
| <br><b>EXPENSES</b>                           |                             |                             |
| Children's programs                           | 117,085,194                 | 111,892,090                 |
| Program administrative support                | 11,333,989                  | 10,771,841                  |
| Administrative and general                    | 8,255,970                   | 7,542,166                   |
| Total Expenses                                | <u>136,675,153</u>          | <u>130,206,097</u>          |
| <br>Change in net position                    | 7,719,057                   | 6,435,943                   |
| Net position at beginning of year             | <u>80,511,660</u>           | <u>74,075,717</u>           |
| <br>Net position at end of year               | <u><u>\$ 88,230,717</u></u> | <u><u>\$ 80,511,660</u></u> |

**Financial Analysis of the Government Funds**

**General Fund**

As of September 30, 2023, the Council's governmental funds reported a total fund balance of \$75,449,011, an increase of \$8,224,166, or 12.2%, over the prior year, all of which relates to the general fund. General Fund revenues exceeded expenditures (including other financing uses) by \$8,224,166, primarily due to under-utilization from provider contracts and increases in investment income.

Property values increased by 14.9% over the prior year, and the Council decreased the millage rate to the rolled-back rate from .6233 to .5508, resulting in an increase in ad valorem property tax revenue of \$2,093,761. Total operating grants and contributions decreased by \$305,727, or 7.7%, compared to the prior year, primarily due to a decrease in services rendered under the Network grant, totaling \$297,007, due to a decrease in care coordination and assessments (units of service) provided.

Children's programs expenditures were less than budget by \$7,600,637 due to reimbursement-based providers having expenditures less than the contracted amounts, primarily due to staff vacancies.

An amount of \$8,868,237 was budgeted as a decrease in fund balance for the current year. The use of fund balance was unnecessary due to under-utilization from provider contracts and increases in investment income.

The total fund balance at September 30, 2023, included \$841,756 classified as non-spendable funds for prepaid items, \$13,742,976 classified as assigned from fund balance for program expenditures for the next fiscal year, and \$60,864,279 classified as unassigned.

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

There is no fund balance associated with the Special Revenue Fund at September 30, 2023, or 2022 since all expenditures incurred are reimbursable through transfers from the General Fund.

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

At September 30, 2023, capital assets of governmental activities had a net book value of \$14,376,277, representing a \$318,551 decrease, net of depreciation, from September 30, 2022. The decrease was a result of \$220,979 of purchases, net of \$539,530 of depreciation expense for 2023. Additional information on the Council's capital assets can be found in Note 7 on page 42 of this report.

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

### **General Fund Budgetary Highlights**

The Council's Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund, which compares the fiscal year's actual results to budget, can be found on page 20.

During the year, general fund revenue exceeded budget by \$4,678,091, primarily due to increases in interest income of \$4,151,673, ad valorem taxes of \$395,665, and gain on investments of \$221,161 due to fluctuations in market values, offset by a reduction in grant income of \$97,144.

Total expenditures were less than budgeted appropriations by \$11,714,759 primarily related to children's programs expenditures, other general administrative expenditures, and program administrative support expenditures. Children's programs expenditures were less than budget by \$7,600,637 due to the under-utilization of provider contracts primarily related to staff vacancies. Other general administrative expenses were less than budget by \$1,529,803 and are related to the costs charged by the Palm Beach County Property Appraiser and Tax Collector offices. Both offices return funds to the Council in excess of what is needed for the annual cost of each office. Program administrative support expenditures were less than budget by \$1,234,988 due to lower personnel services expenditures primarily the result of vacant and turnover in positions and health care costs being lower than anticipated.

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

The Council's revenues are determined predominantly by the property values in Palm Beach County. Property values have steadily increased over the past several years, and the current year saw an increase of 14.9%.

At September 30, 2023, Palm Beach County's unemployment rate was 3.3%, slightly higher than the unemployment rate for the State of Florida of 3.1% and below the national average of 3.8%. At September 30, 2022, Palm Beach County and the State of Florida's unemployment rate was 2.8%, below the national average of 3.5%.

For fiscal year ending September 30, 2024, the Council has approved a budget combined for both the general and special revenue funds totaling \$155,110,247, of which \$137,034,086 is supported by ad valorem taxes, with the millage reduced to the rolled-back rate of .4908. Preliminary property values increased by 13.9%, attributed largely to the increase in residential property values. Of the total \$155,110,247 budgeted, \$143,694,971 is allocated to children's programs, of which \$130,415,261 is for contracted services and special funds and initiatives, and the remaining \$13,279,710 will be used to provide training, technical support, and evaluation services to providers of children's services in Palm Beach County.

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

## **Request for Information**

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

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## **FINANCIAL STATEMENTS**

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

**STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2023**

|                                        | <u>Governmental<br/>Activities</u> |
|----------------------------------------|------------------------------------|
| <b>Assets</b>                          |                                    |
| Cash and cash equivalents              | \$ 13,556,559                      |
| Investments                            | 66,761,827                         |
| Due from other governmental units      | 1,486,790                          |
| Other receivables                      | 2,501,928                          |
| Prepaid expenses                       | 841,756                            |
| Investment in joint venture            | 13,700                             |
| Capital assets:                        |                                    |
| Capital assets not being depreciated   | 2,781,948                          |
| Capital assets being depreciated, net  | <u>11,594,329</u>                  |
| <b>Total Assets</b>                    | <u>99,538,837</u>                  |
| <b>Deferred Outflows of Resources</b>  |                                    |
| Deferred amounts related to OPEB       | <u>22,308</u>                      |
| <b>Liabilities</b>                     |                                    |
| Due to program service providers       | 9,309,269                          |
| Accounts payable and other liabilities | 390,580                            |
| Noncurrent liabilities:                |                                    |
| Due within one year:                   |                                    |
| Compensated absences                   | 243,197                            |
| Due in more than one year:             |                                    |
| Compensated absences                   | 1,044,263                          |
| Total other postemployment benefits    | <u>139,383</u>                     |
| <b>Total Liabilities</b>               | <u>11,126,692</u>                  |
| <b>Deferred Inflows of Resources</b>   |                                    |
| Deferred amounts related to OPEB       | <u>203,736</u>                     |
| <b>Net Position</b>                    |                                    |
| Investment in capital assets           | 14,376,277                         |
| Unrestricted                           | <u>73,854,440</u>                  |
| <b>Total Net Position</b>              | <u><u>\$ 88,230,717</u></u>        |

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

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

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

| Functions/Programs                   | Expenses                             | Program Revenues                         |                            |
|--------------------------------------|--------------------------------------|------------------------------------------|----------------------------|
|                                      |                                      | Operating<br>Contributions<br>and Grants | Governmental<br>Activities |
| <b>Governmental Activities</b>       |                                      |                                          |                            |
| Children's programs                  | \$ 117,085,194                       | \$ 3,652,856                             | \$ (113,432,338)           |
| Program administrative support       | 11,333,989                           | --                                       | (11,333,989)               |
| Administrative and general           | <u>8,255,970</u>                     | <u>--</u>                                | <u>(8,255,970)</u>         |
| <b>Total Governmental Activities</b> | <u>\$ 136,675,153</u>                | <u>\$ 3,652,856</u>                      | <u>(133,022,297)</u>       |
|                                      | <b>General Revenues</b>              |                                          |                            |
|                                      | Ad valorem taxes                     |                                          | 135,692,657                |
|                                      | Investment income & unrealized gains |                                          | 4,897,070                  |
|                                      | Miscellaneous                        |                                          | <u>151,627</u>             |
|                                      | <b>Total General Revenues</b>        |                                          | <u>140,741,354</u>         |
|                                      | <b>Change in Net Position</b>        |                                          | 7,719,057                  |
|                                      | <b>Net Position - Beginning</b>      |                                          | <u>80,511,660</u>          |
|                                      | <b>Net Position - Ending</b>         |                                          | <u>\$ 88,230,717</u>       |

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

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2023**

|                                            | General<br>Fund      | Special Revenue<br>Fund<br>Prevention<br>Partnerships | Total<br>Governmental<br>Funds |
|--------------------------------------------|----------------------|-------------------------------------------------------|--------------------------------|
| <b>Assets</b>                              |                      |                                                       |                                |
| Cash and cash equivalents                  | \$ 13,556,559        | \$ --                                                 | \$ 13,556,559                  |
| Investments                                | 66,761,827           | --                                                    | 66,761,827                     |
| Due from other governmental units          | 1,486,790            | --                                                    | 1,486,790                      |
| Other receivables                          | 2,501,928            | --                                                    | 2,501,928                      |
| Due from other funds                       | --                   | 311,148                                               | 311,148                        |
| Prepaid expenses                           | 841,756              | --                                                    | 841,756                        |
| <b>Total Assets</b>                        | <u>\$ 85,148,860</u> | <u>\$ 311,148</u>                                     | <u>\$ 85,460,008</u>           |
| <b>Liabilities and Fund Balance</b>        |                      |                                                       |                                |
| <b>Liabilities</b>                         |                      |                                                       |                                |
| Due to program service providers           | \$ 8,998,121         | \$ 311,148                                            | \$ 9,309,269                   |
| Accounts payable and other liabilities     | 390,580              | --                                                    | 390,580                        |
| Due to other funds                         | 311,148              | --                                                    | 311,148                        |
| <b>Total Liabilities</b>                   | <u>9,699,849</u>     | <u>311,148</u>                                        | <u>10,010,997</u>              |
| <b>Fund Balances</b>                       |                      |                                                       |                                |
| Non-spendable:                             |                      |                                                       |                                |
| Prepaid expenses                           | 841,756              | --                                                    | 841,756                        |
| Assigned for:                              |                      |                                                       |                                |
| Subsequent year expenditures               | 13,742,976           | --                                                    | 13,742,976                     |
| Unassigned                                 | 60,864,279           | --                                                    | 60,864,279                     |
| <b>Total Fund Balances</b>                 | <u>75,449,011</u>    | <u>--</u>                                             | <u>75,449,011</u>              |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 85,148,860</u> | <u>\$ 311,148</u>                                     | <u>\$ 85,460,008</u>           |

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

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2023**

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|                                                |           |                   |
|------------------------------------------------|-----------|-------------------|
| <b>Fund Balance - Total Governmental Funds</b> | <b>\$</b> | <b>75,449,011</b> |
|------------------------------------------------|-----------|-------------------|

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

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

|                                                |                     |            |
|------------------------------------------------|---------------------|------------|
| Governmental capital assets                    | \$ 27,193,796       |            |
| Less accumulated depreciation and amortization | <u>(12,817,519)</u> | 14,376,277 |

|                                                                                                                     |        |
|---------------------------------------------------------------------------------------------------------------------|--------|
| Investment in joint venture is not a financial resource<br>and therefore is not reported in the governmental funds. | 13,700 |
|---------------------------------------------------------------------------------------------------------------------|--------|

Deferred outflows/inflows of resources related to OPEB are  
reported in the statement of net position but are not reported  
in the governmental funds.

|                                                |                  |           |
|------------------------------------------------|------------------|-----------|
| Deferred outflows of resources related to OPEB | 22,308           |           |
| Deferred inflows of resources related to OPEB  | <u>(203,736)</u> | (181,428) |

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

|                      |  |                  |
|----------------------|--|------------------|
| Compensated absences |  | (1,287,460)      |
| Total OPEB liability |  | <u>(139,383)</u> |

|                                                |           |                          |
|------------------------------------------------|-----------|--------------------------|
| <b>Net Position of Governmental Activities</b> | <b>\$</b> | <b><u>88,230,717</u></b> |
|------------------------------------------------|-----------|--------------------------|

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

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

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

|                                                              | General<br>Fund      | Special Revenue<br>Fund<br>Prevention<br>Partnerships | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------|----------------------|-------------------------------------------------------|--------------------------------|
| <b>Revenues</b>                                              |                      |                                                       |                                |
| Ad valorem taxes                                             | \$ 135,692,657       | \$ --                                                 | \$ 135,692,657                 |
| Grant income                                                 | 3,652,856            | --                                                    | 3,652,856                      |
| Income from tenants                                          | 63,179               | --                                                    | 63,179                         |
| Interest income                                              | 4,675,909            | --                                                    | 4,675,909                      |
| Gain on investments                                          | 221,161              | --                                                    | 221,161                        |
| Sponsorship fees and other income                            | 88,448               | --                                                    | 88,448                         |
| <b>Total Revenues</b>                                        | <u>144,394,210</u>   | <u>--</u>                                             | <u>144,394,210</u>             |
| <b>Expenditures</b>                                          |                      |                                                       |                                |
| Program services and support:                                |                      |                                                       |                                |
| Children's programs                                          | 115,368,572          | 1,716,622                                             | 117,085,194                    |
| Program administrative support                               | 10,832,123           | --                                                    | 10,832,123                     |
| General administration:                                      |                      |                                                       |                                |
| Administrative and general                                   | 5,930,611            | --                                                    | 5,930,611                      |
| Other                                                        | 2,101,137            | --                                                    | 2,101,137                      |
| Capital outlay                                               | 220,979              | --                                                    | 220,979                        |
| <b>Total Expenditures</b>                                    | <u>134,453,422</u>   | <u>1,716,622</u>                                      | <u>136,170,044</u>             |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <u>9,940,788</u>     | <u>(1,716,622)</u>                                    | <u>8,224,166</u>               |
| <b>Other Financing Sources (Uses)</b>                        |                      |                                                       |                                |
| Transfers in                                                 | --                   | 1,716,622                                             | 1,716,622                      |
| Transfers out                                                | (1,716,622)          | --                                                    | (1,716,622)                    |
| <b>Total Other Financing Sources (Uses)</b>                  | <u>(1,716,622)</u>   | <u>1,716,622</u>                                      | <u>--</u>                      |
| <b>Net Change in Fund Balances</b>                           | 8,224,166            | --                                                    | 8,224,166                      |
| <b>Fund Balances - Beginning</b>                             | <u>67,224,845</u>    | <u>--</u>                                             | <u>67,224,845</u>              |
| <b>Fund Balances - Ending</b>                                | <u>\$ 75,449,011</u> | <u>\$ --</u>                                          | <u>\$ 75,449,011</u>           |

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

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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|                                                               |    |           |
|---------------------------------------------------------------|----|-----------|
| <b>Net Change in Fund Balances - Total Governmental Funds</b> | \$ | 8,224,166 |
|---------------------------------------------------------------|----|-----------|

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

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

|                                            |                  |  |           |
|--------------------------------------------|------------------|--|-----------|
| Expenditures for capital assets            | \$ 220,979       |  |           |
| Current year depreciation and amortization | <u>(539,530)</u> |  | (318,551) |

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

|                                       |  |         |
|---------------------------------------|--|---------|
| Change in investment in joint venture |  | (2,787) |
|---------------------------------------|--|---------|

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                                     | (201,707)     |  |                  |
| Change in OPEB liability and related deferred outflows and inflows | <u>17,936</u> |  | <u>(183,771)</u> |

|                                                          |    |                         |
|----------------------------------------------------------|----|-------------------------|
| <b>Change in Net Position of Governmental Activities</b> | \$ | <u><u>7,719,057</u></u> |
|----------------------------------------------------------|----|-------------------------|

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

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

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

|                                                              | Original<br>Budget    | Final<br>Budget       | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------------------------------|-----------------------|-----------------------|----------------------|---------------------------------------------------------|
| <b>Revenues</b>                                              |                       |                       |                      |                                                         |
| Ad valorem taxes                                             | \$ 135,296,992        | \$ 135,296,992        | \$ 135,692,657       | \$ 395,665                                              |
| Grant income                                                 | 3,750,000             | 3,750,000             | 3,652,856            | (97,144)                                                |
| Income from tenants                                          | 64,891                | 64,891                | 63,179               | (1,712)                                                 |
| Interest income                                              | 524,236               | 524,236               | 4,675,909            | 4,151,673                                               |
| Gain on investments                                          | --                    | --                    | 221,161              | 221,161                                                 |
| Sponsorship fees and other income                            | 80,000                | 80,000                | 88,448               | 8,448                                                   |
| <b>Total Revenues</b>                                        | <u>139,716,119</u>    | <u>139,716,119</u>    | <u>144,394,210</u>   | <u>4,678,091</u>                                        |
| <b>Expenditures</b>                                          |                       |                       |                      |                                                         |
| Program services and support:                                |                       |                       |                      |                                                         |
| Children's programs                                          | 122,969,209           | 122,969,209           | 115,368,572          | 7,600,637                                               |
| Program administrative support                               | 12,067,111            | 12,067,111            | 10,832,123           | 1,234,988                                               |
| General administration:                                      |                       |                       |                      |                                                         |
| Administrative and general                                   | 6,732,921             | 6,732,921             | 5,930,611            | 802,310                                                 |
| Other                                                        | 3,630,940             | 3,630,940             | 2,101,137            | 1,529,803                                               |
| Contingency                                                  | 500,000               | 500,000               | --                   | 500,000                                                 |
| Capital outlay                                               | 268,000               | 268,000               | 220,979              | 47,021                                                  |
| <b>Total Expenditures</b>                                    | <u>146,168,181</u>    | <u>146,168,181</u>    | <u>134,453,422</u>   | <u>11,714,759</u>                                       |
| <b>Excess (Deficiency) of Revenues Over<br/>Expenditures</b> | <u>(6,452,062)</u>    | <u>(6,452,062)</u>    | <u>9,940,788</u>     | <u>16,392,850</u>                                       |
| <b>Other Financing Sources</b>                               |                       |                       |                      |                                                         |
| Transfers out                                                | <u>(2,416,175)</u>    | <u>(2,416,175)</u>    | <u>(1,716,622)</u>   | <u>699,553</u>                                          |
| <b>Net Change in Fund Balance</b>                            | <u>\$ (8,868,237)</u> | <u>\$ (8,868,237)</u> | <u>8,224,166</u>     | <u>\$ 17,092,403</u>                                    |
| <b>Fund Balance - Beginning</b>                              |                       |                       | <u>67,224,845</u>    |                                                         |
| <b>Fund Balance - Ending</b>                                 |                       |                       | <u>\$ 75,449,011</u> |                                                         |

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

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

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

|                                                     | Original<br>Budget | Final<br>Budget | Actual      | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------------------------|--------------------|-----------------|-------------|---------------------------------------------------------|
| <b>Revenues</b>                                     |                    |                 |             |                                                         |
| Interest & other income                             | \$ --              | \$ --           | \$ --       | \$ --                                                   |
| <b>Expenditures</b>                                 |                    |                 |             |                                                         |
| Program services and support<br>Children's programs | 2,416,175          | 2,416,175       | 1,716,622   | 699,553                                                 |
| <b>Total Expenditures</b>                           | 2,416,175          | 2,416,175       | 1,716,622   | 699,553                                                 |
| <b>Deficiency of Revenues Over<br/>Expenditures</b> | (2,416,175)        | (2,416,175)     | (1,716,622) | 699,553                                                 |
| <b>Other Financing Sources</b>                      |                    |                 |             |                                                         |
| Transfers in                                        | 2,416,175          | 2,416,175       | 1,716,622   | (699,553)                                               |
| <b>Net Change in Fund Balance</b>                   | \$ --              | \$ --           | --          | \$ --                                                   |
| <b>Fund Balance - Beginning</b>                     |                    |                 | --          |                                                         |
| <b>Fund Balance - Ending</b>                        |                    |                 | \$ --       |                                                         |

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

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## **NOTES TO BASIC FINANCIAL STATEMENTS**

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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### **NOTE 1 – ORGANIZATION**

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

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

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

The Council acts as the fiscal administrative and programmatic agent for the Healthy Start Coalition of Palm Beach County, Inc. (“Coalition”), a not-for-profit organization, as defined by section 501(c)(3) of the Internal Revenue Code, which was established to implement the provisions of the Healthy Start legislation in Florida. The Coalition receives grants from the U.S. Government, state and local government and all funds from the Coalition are passed through to the Council, which in turn contracts with sub-recipients to provide services. At

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – ORGANIZATION (CONTINUED)**

September 30, 2023, the Council has a receivable balance from the Coalition in the amount of \$1,680,635. The Coalition is identified as a separate organization with its own governing board, with no direct financial benefit/burden relationship and therefore is not included as a part of the Council's financial reporting entity.

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

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

***FINANCIAL REPORTING ENTITY***

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

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

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

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

# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

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

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

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

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

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

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

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

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

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

period in which the fund liability is incurred. However, expenditures related to compensated absences and other postemployment benefits are recorded only when a payment is due.

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

The Council reports the following major governmental funds:

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

#### ***BUDGETS AND BUDGETARY ACCOUNTING***

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

#### ***ENCUMBRANCES***

Encumbrance accounting is employed as an extension of the formal budgetary process to reflect the estimated amount of future expenditures arising from the issuance of purchase orders, contracts or other forms of legal commitments existing at year-end, which will be paid in the future. Encumbrances do not constitute expenditures or liabilities since goods and services have not been received. Encumbrances lapse at year-end and there were no outstanding encumbrances at September 30, 2023.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

***IMPLEMENTATION OF NEW GASB STATEMENTS***

During fiscal year 2023, the Council implemented GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*, GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and GASB Statement No. 99 - *Omnibus 2022*. The implementation of these statements did not have a significant impact on the Council.

***PROPERTY TAXES***

The Council is permitted by Florida Statutes to levy taxes up to 1 mill (\$1.00 per \$1,000) of assessed valuation. The rate levied for the Council for fiscal year 2023 was 0.5508 mills. Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for real and personal property located within Palm Beach County. The assessed value at January 1, 2022, upon which the fiscal year 2022 levy was based, was approximately \$255.9 billion.

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

***CASH AND CASH EQUIVALENTS***

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

***INVESTMENTS***

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

***PREPAIDS***

Payments made to vendors for services or products that will benefit future periods subsequent to September 30, 2023, are recorded as prepaid expenses/items in the government-wide and fund statements. The Council uses the consumption method to account for these costs.

***CAPITAL ASSETS***

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

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

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

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

***COMPENSATED ABSENCES***

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

***POSTEMPLOYMENT BENEFITS***

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

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

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

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

***FUND BALANCE***

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

*Nonspendable* - Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The nonspendable fund balance as of September 30, 2023 was approximately \$842,000.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

***FUND BALANCE (CONTINUED)***

*Restricted* - Restricted fund balance includes amounts that have been restricted to specific purposes either by (a) constraints placed on the use of the resources by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Council has no restricted fund balance at September 30, 2023.

*Committed* - Committed fund balance includes amounts that can be used only for specific purposes as determined by formal action of the Governing Board itself, using its highest level of decision making authority (i.e., a Council resolution). These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. The Council has no committed fund balance at September 30, 2023.

*Assigned* - Assigned fund balance includes amounts that are constrained by the Council's intent to be used for specific purposes, but are neither restricted nor committed. This intent can be expressed by the governing body, or by an official (Chief Executive Officer), or body (Finance Committee), to which the Governing Board delegated authority. The Governing Board has delegated this authority and responsibility through a fund balance policy, approved via resolution. Council management makes recommendations concerning the assignment of fund balance to the Finance Committee. In general, the Finance Committee either approves the recommendations as presented or modifies them and presents the final recommendation to the full Governing Board for their approval. The Governing Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund, as applicable. Normally, no additional action needs to be taken for the removal of an assignment. The Governing Board has assigned fund balance of \$13,742,976 at September 30, 2023, for subsequent year's expenditures.

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

***FUND BALANCE (CONTINUED)***

***Fund Balance Flow Assumption***

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

***Minimum Fund Balance Policy***

The Council's policy is to maintain a minimum unassigned General Fund balance to meet seasonal shortfalls in cash flow and reduce susceptibility to emergency and unanticipated expenditures and/or revenue shortfalls. The Governing Board has adopted a financial standard to maintain a minimum unassigned fund balance of 27.5% of the subsequent year's total budgeted expenditures. If the unassigned fund balance falls below the minimum 27.5% of the proposed annual operating budgeted expenditures for the subsequent year, in each year of a three year period, a specific amount will be allocated in the Council's annual budget to be used to replenish the fund to the 27.5% floor. The unassigned fund balance as of September 30, 2023 was approximately \$61 million (39%).

***NET POSITION***

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

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

*Restricted* - This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The Council has no restricted net position at September 30, 2023.

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

***INTERFUND TRANSACTIONS***

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

***GRANTS***

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of the Council for the return of those funds. As of September 30, 2023, management does not believe that there are any disallowed expenditures that would require a return of grant funds.

***RISK MANAGEMENT***

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council purchases commercial insurance for the risk of losses to which it is exposed. Retention of risks is limited to the excess of those risks that are insured, those risks that are uninsurable, and deductibles ranging from \$1,000 (damage) to \$1,000,000 (natural disaster) per occurrence. Policy limits and deductibles are reviewed annually by management and established at amounts to provide reasonable protection from significant financial loss. There were no significant reductions in insurance coverage for fiscal year 2023. Review of the past three years reveals settled claims have not exceeded insurance coverage. In addition, under Florida law, the Council is covered by the constitutional doctrine of Sovereign Immunity for general liability claims. Sovereign Immunity generally limits liability to \$200,000 per person/\$300,000 per incident unless a claims bill is approved by the Florida Legislature awarding damages in excess of that amount.

***USE OF ESTIMATES***

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 3 – DEPOSITS AND INVESTMENTS**

***DEPOSITS***

As of September 30, 2023, the Council's cash and cash equivalents consisted of deposits with financial institutions with a carrying value of \$13,556,559.

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

***INVESTMENTS***

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

***INVESTMENTS (CONTINUED)***

As of September 30, 2023, the Council had the following investments:

| Investments                                    | Fair Value                  |
|------------------------------------------------|-----------------------------|
| Money market mutual funds                      | \$ 1,111,019                |
| Florida Public Assets for Liquidity Management | 36,710,482                  |
| U.S. Treasury notes/bonds                      | 15,026,886                  |
| Federal agency mortgage-backed securities      | 216,395                     |
| Collateralized mortgage obligations            | 55,062                      |
| Collateralized mortgage-backed securities      | 1,762,886                   |
| Consumer asset-backed securities               | 4,649,926                   |
| Commercial asset-backed securities             | 303,484                     |
| Corporate debt obligations                     | 6,292,471                   |
| Non-corporate debt obligations                 | <u>633,216</u>              |
| <b>Total</b>                                   | <b><u>\$ 66,761,827</u></b> |

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

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

***INVESTMENTS (CONTINUED)***

Detailed information for this pooled investment fund is as follows:

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

***FAIR VALUE OF INVESTMENTS***

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

- Level 1 – Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the Council has the ability to access.
- Level 2 – Investments whose inputs - other than quoted prices - are observable either directly or indirectly.
- Level 3 – Investments whose inputs are unobservable.

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

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

***Valuation Methodologies***

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

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

The methods and assumptions described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Council believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the methods and assumptions used for the fiscal year ended September 30, 2023.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

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

***Valuation Methodologies (continued)***

The financial assets measured at fair value on a recurring basis included the Council's investments. There were no liabilities measured at fair value on a recurring basis at September 30, 2023. The fair value of the Council's investments at September 30, 2023 is summarized as follows:

|                                                  |                      | September 30, 2023 |                      |              |  |
|--------------------------------------------------|----------------------|--------------------|----------------------|--------------|--|
|                                                  | Total                | Level 1            | Level 2              | Level 3      |  |
| <b>Investments by Fair Value Level</b>           |                      |                    |                      |              |  |
| U.S. Treasury notes/bonds                        | \$ 15,026,886        | \$ --              | \$ 15,026,886        | \$ --        |  |
| Federal agency mortgage-backed securities        | 216,395              | --                 | 216,395              | --           |  |
| Collateralized mortgage obligations              | 55,062               | --                 | 55,062               | --           |  |
| Collateralized mortgage-backed securities        | 1,762,886            | --                 | 1,762,886            | --           |  |
| Asset-backed securities                          | 4,953,410            | --                 | 4,953,410            | --           |  |
| Corporate and non-corporate debt obligations     | <u>6,925,687</u>     | <u>--</u>          | <u>6,925,687</u>     | <u>--</u>    |  |
| <b>Total Debt Securities by Fair Value Level</b> | 28,940,326           | <u>\$ --</u>       | <u>\$ 28,940,326</u> | <u>\$ --</u> |  |
| <b>Investments Reported at Amortized Cost</b>    |                      |                    |                      |              |  |
| Money market mutual fund                         | 1,111,019            |                    |                      |              |  |
| Florida Public Assets for Liquidity Management   | <u>36,710,482</u>    |                    |                      |              |  |
| <b>Total Investments</b>                         | <u>\$ 66,761,827</u> |                    |                      |              |  |

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

***INTEREST RATE RISK***

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The Council's investment policy states that (a) investments of current operating funds shall have maturities of no longer than twelve months and (b) investments of reserves, project funds and other non-operating funds shall have a term not to exceed five and one-half years. The Council's money market mutual fund and FL PALM have weighted average maturities of less than 90 days. At September 30, 2023, the Council's investments in debt securities had the following maturities:

|                                              | Less Than<br>One Year | One to<br>Five Years | Six to<br>Ten Years | More than<br>Ten Years | Total                |
|----------------------------------------------|-----------------------|----------------------|---------------------|------------------------|----------------------|
| U.S. Treasury notes/bonds                    | \$ --                 | \$ 15,026,886        | \$ --               | \$ --                  | \$ 15,026,886        |
| Federal agency mortgage-backed securities    | --                    | 216,395              | --                  | --                     | 216,395              |
| Collateralized mortgage obligations          | 9,804                 | 45,258               | --                  | --                     | 55,062               |
| Collateralized mortgage-backed securities    | --                    | 1,762,886            | --                  | --                     | 1,762,886            |
| Asset-backed securities                      | --                    | 4,953,410            | --                  | --                     | 4,953,410            |
| Corporate and non-corporate debt obligations | --                    | 6,925,687            | --                  | --                     | 6,925,687            |
| <b>Total</b>                                 | <u>\$ 9,804</u>       | <u>\$ 28,930,522</u> | <u>\$ --</u>        | <u>\$ --</u>           | <u>\$ 28,940,326</u> |

***CREDIT RISK***

Credit risk is the risk that a debt issuer will not fulfill its obligations. Management's intent is to limit the Council's investment to the highest credit quality ratings from a nationally recognized rating agency in order to control credit risk. The Council's investment policy limits its investments to certain minimum Nationally Recognized Statistical Rating Organization ("NRSRO") ratings which are generally the highest short term or the three highest long term rating categories. The NRSRO ratings for the Council's fixed income investments at September 30, 2023 are summarized as follows.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

***CREDIT RISK (CONTINUED)***

|                                                | NSRO Rating | Fair<br>Value               |
|------------------------------------------------|-------------|-----------------------------|
| Money market mutual fund                       | AAA         | \$ 1,111,019                |
| Florida Public Assets for Liquidity Management | AAA         | 36,710,482                  |
| U.S. Treasury notes/bonds                      | AA+ - Aaa   | 15,026,886                  |
| Federal agency mortgage-backed securities      | AA+         | 216,395                     |
| Collateralized mortgage obligations            | AA+         | 55,062                      |
| Collateralized mortgage-backed securities      | AAA         | 1,762,886                   |
| Consumer asset-backed securities               | AAA - Aaa   | 4,649,926                   |
| Commercial asset-backed securities             | AAA - Aaa   | 303,484                     |
| Corporate debt obligations                     | A - BBB+    | 6,292,471                   |
| Non-corporate debt obligations                 | AAA - Aa2   | <u>633,216</u>              |
| <b>Total</b>                                   |             | <u><u>\$ 66,761,827</u></u> |

***CUSTODIAL CREDIT RISK***

Custodial credit risk is defined as the risk that the Council may not recover cash and investments held by another party in the event of a financial failure. At September 30, 2023, all investment securities were held in an independent custodial safekeeping account. The money market mutual fund and FL PALM are considered unclassified pursuant to GASB Statements, because they are not evidenced by securities that exist in physical or book-entry form. Coverage for cash and securities in protected counterparty client accounts is provided from two sources. The Securities Investor Protection Corporation ("SIPC") protects up to \$500,000, of which \$250,000 may be cash. The counterparty has obtained additional private insurance protection for the remaining balance, if any, of the cash and securities in the investment account. These coverages do not insure the quality of the investments or protect against losses from fluctuating fair value.

***CONCENTRATION OF CREDIT RISK***

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

***FOREIGN CURRENCY RISK***

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. There was no exposure to foreign currency risk in the Council's investments at September 30, 2023.

***RISKS AND UNCERTAINTIES***

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

**NOTE 4 – RECEIVABLES**

Governmental activities and General Fund receivables consist of the following at September 30, 2023:

|                                              |                     |
|----------------------------------------------|---------------------|
| <b>Due from Other Governmental Units</b>     |                     |
| Palm Beach County                            | <u>\$ 1,486,790</u> |
| <b>Other Receivables</b>                     |                     |
| Healthy Start Coalition of Palm Beach County | \$ 1,680,635        |
| Contract providers                           | 195,441             |
| Grant receivable                             | 397,050             |
| Interest income receivable                   | 211,978             |
| Other                                        | <u>16,824</u>       |
| <b>Total Other Receivables</b>               | <u>\$ 2,501,928</u> |

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

Interfund receivables and payables consist of the following at September 30, 2023:

|                      | Interfund<br>Receivables | Interfund<br>Payables |
|----------------------|--------------------------|-----------------------|
| General Fund         | \$ --                    | \$ 311,148            |
| Special Revenue Fund | 311,148                  | --                    |
| <b>Total</b>         | <u>\$ 311,148</u>        | <u>\$ 311,148</u>     |

The general fund provides financial support by extending loans and transfers to Prevention Partnerships to meet its obligations to providers. The amount remains as a loan between the general fund and Prevention Partnerships until Prevention Partnerships remits payment to the providers, at which time, the general fund records the payment as a transfer. At September 30, 2023, the loan amount by the general fund to Prevention Partnerships was \$311,148 related to the timing of payments to providers for August and September services.

During the fiscal year ended September 30, 2023, the General Fund transferred \$1,716,622 to the Special Revenue Fund for the purpose of providing annual support to the Special Revenue Fund for quality childcare and healthy beginnings programs administered by Prevention Partnerships.

**NOTE 6 – INVESTMENT IN JOINT VENTURE**

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

The Florida Alliance of Children's Councils & Trusts, Inc. has been designated as the operating and fiscal agent of the SAMIS program. The joint venture is governed by a management committee consisting of one staff member from each of the children's services councils and trusts. The children's services councils and trusts each have one vote. The management committee approves the annual budget and makes all management decisions for the operation of the joint venture.

Each joint venture member pays an annual fee. New joint venture members pay an initial fee, and an annual fee, which is pro-rated if the new member joins during the contract year. A joint venture member may terminate their agreement without cause and at such time, the member's data will be provided. The member will have an obligation to pay any outstanding fees.

In accordance with U.S. GAAP, the Council is required to account for this joint venture using the equity method of accounting. Accordingly, the Council recorded its initial investment at cost and records its proportionate share of the joint venture's income or loss, as well as contributions made or distributions received. At September 30, 2023, the Council's 8.03% equity interest in the joint venture totaled \$13,700. This investment is reported in the Statement of Net Position as Investment in Joint Venture.

The joint venture does not issue separate audited financial statements. Summarized financial information relating to the joint venture as of and for the fiscal year ended September 30, 2023, is as follows:

| Net Position                    |                          |
|---------------------------------|--------------------------|
| Total assets                    | \$ 170,516               |
| Total liabilities               | <u>--</u>                |
| <b>Net Position</b>             | <u><u>\$ 170,516</u></u> |
| Change in Net Position          |                          |
| Charges for services            | \$ 405,780               |
| Operating expenses              | <u>401,254</u>           |
| <b>Change in Net Position</b>   | 4,526                    |
| <b>Net Position - Beginning</b> | <u>165,990</u>           |
| <b>Net Position - Ending</b>    | <u><u>\$ 170,516</u></u> |

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 7 – CAPITAL ASSETS**

The Council's capital asset activity for the year ended September 30, 2023, was as follows:

|                                                              | Beginning<br>Balances | Increase            | Decrease     | Ending<br>Balances   |
|--------------------------------------------------------------|-----------------------|---------------------|--------------|----------------------|
| <b>Capital Assets Not Being Depreciated</b>                  |                       |                     |              |                      |
| Land                                                         | \$ 2,781,948          | \$ --               | \$ --        | \$ 2,781,948         |
| <b>Total Non-Depreciable Capital Assets</b>                  | <u>2,781,948</u>      | <u>--</u>           | <u>--</u>    | <u>2,781,948</u>     |
| <b>Depreciable Capital Assets</b>                            |                       |                     |              |                      |
| Buildings and improvements                                   | 19,705,635            | 220,979             | --           | 19,926,614           |
| Furniture and equipment                                      | 2,036,089             | --                  | 3,058        | 2,033,031            |
| Intangibles - software and database                          | <u>2,452,203</u>      | <u>--</u>           | <u>--</u>    | <u>2,452,203</u>     |
| <b>Total Depreciable Capital Assets</b>                      | <u>24,193,927</u>     | <u>220,979</u>      | <u>3,058</u> | <u>24,411,848</u>    |
| <b>Less: Accumulated Depreciation/<br/>Amortization for:</b> |                       |                     |              |                      |
| Buildings and improvements                                   | 7,813,279             | 533,900             | --           | 8,347,179            |
| Furniture and equipment                                      | 2,015,565             | 5,630               | 3,058        | 2,018,137            |
| Intangibles - software and database                          | <u>2,452,203</u>      | <u>--</u>           | <u>--</u>    | <u>2,452,203</u>     |
| <b>Total Accumulated Depreciation/Amortization</b>           | <u>12,281,047</u>     | <u>539,530</u>      | <u>3,058</u> | <u>12,817,519</u>    |
| <b>Total Capital Assets Being Depreciated, Net</b>           | <u>11,912,880</u>     | <u>(318,551)</u>    | <u>--</u>    | <u>11,594,329</u>    |
| <b>Governmental Activities Capital Assets, Net</b>           | <u>\$ 14,694,828</u>  | <u>\$ (318,551)</u> | <u>\$ --</u> | <u>\$ 14,376,277</u> |

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

|                                |                   |
|--------------------------------|-------------------|
| <b>Governmental Activities</b> |                   |
| Program administrative support | \$ 372,276        |
| Administrative and general     | <u>167,254</u>    |
| <b>Total</b>                   | <u>\$ 539,530</u> |

# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

## NOTES TO BASIC FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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### NOTE 8 – COMPENSATED ABSENCES

The following is a summary of compensated absences for the fiscal year ended September 30, 2023:

|                             | Beginning<br>Balance | Increases           | Decreases           | Ending<br>Balance   | Amounts Due<br>Within<br>One Year |
|-----------------------------|----------------------|---------------------|---------------------|---------------------|-----------------------------------|
| <b>Compensated Absences</b> |                      |                     |                     |                     |                                   |
| Vacation accrual            | \$ 830,268           | \$ 785,453          | \$ 619,694          | \$ 996,027          | \$ 195,488                        |
| Sick leave accrual          | <u>255,485</u>       | <u>505,532</u>      | <u>469,584</u>      | <u>291,433</u>      | <u>47,709</u>                     |
| <b>Totals</b>               | <u>\$ 1,085,753</u>  | <u>\$ 1,290,985</u> | <u>\$ 1,089,278</u> | <u>\$ 1,287,460</u> | <u>\$ 243,197</u>                 |

Compensated absences are generally liquidated by the General Fund.

### NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS

#### *PLAN DESCRIPTION*

The Council offers a single-employer defined benefit health care plan (the “Plan”) that provides optional health care coverage (medical, prescription, vision and dental) to eligible retired employees and their dependents. Retirees have a one-time option to continue coverage upon retirement and premiums for coverage are paid 100% by the retiree. The Council has the authority to establish and amend the premiums for and the benefit provisions of the Plan. Life insurance benefits are portable and the retiree must pay premiums to the carrier directly. The Plan is financed on a “pay-as-you-go” basis, has no accumulated assets, and is not administered as a formal qualifying trust. The Plan does not issue a separate, publicly available, audited financial report.

#### *FUNDING POLICY*

The Council is required by Florida Statute 112.0801 to allow retirees to buy healthcare coverage at the same group insurance rates that current employees are charged resulting in an implicit healthcare benefit. The State of Florida prohibits the Plan from separately rating retirees and active employees. The Plan therefore charges both groups an equal, blended rate premium. Although both groups are charged the same blended rate premium, U.S. GAAP requires the actuarial figures to be calculated using age adjusted premiums approximating claim costs for retirees separate from active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. Plan members receiving benefits contribute 100% of the monthly premium ranging from a minimum of \$846 to a maximum of \$2,040.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

***PLAN MEMBERSHIP***

Membership in the Plan was comprised of the following at September 30, 2023:

|                                                |                  |
|------------------------------------------------|------------------|
| Active employees                               | 95               |
| Retirees and beneficiaries receiving benefits  | --               |
| Inactive employees, not yet receiving benefits | --               |
|                                                | <hr/>            |
| <b>Total Members</b>                           | <b><u>95</u></b> |

***TOTAL OPEB LIABILITY***

The Council's total OPEB liability of \$139,383 was measured as of September 30, 2022, and was determined by an actuarial valuation as of October 1, 2021.

***Actuarial Methods and Significant Assumptions***

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

|                                    |                                                                                      |
|------------------------------------|--------------------------------------------------------------------------------------|
| Valuation date                     | October 1, 2021                                                                      |
| Actuarial cost method              | Entry Age Normal                                                                     |
| Postretirement benefit increases   | None                                                                                 |
| Healthcare cost trend rates        | 7.5% per year initially, reduced annually to an ultimate rate of 4.5% in fiscal 2040 |
| Amortization method                | Average of expected remaining service lives of all participants – Closed             |
| Asset valuation method             | N/A <sup>(1)</sup>                                                                   |
| Actuarial assumptions:             |                                                                                      |
| Discount rate – September 30, 2023 | 4.40% <sup>(2)</sup>                                                                 |
| Projected salary increases*        | 2.5%                                                                                 |
| * Includes inflation rate          | 2.5%                                                                                 |

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

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

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

|                 |                                                                                                              |
|-----------------|--------------------------------------------------------------------------------------------------------------|
| Mortality rates | Pub – 2010 Public Retirement Plans General<br>Mortality table projected generationally with<br>Scale MP-2021 |
|-----------------|--------------------------------------------------------------------------------------------------------------|

- (1) The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of September 30, 2023.
- (2) Since there are currently no invested plan assets held in trust to finance the OPEB obligation, the discount rate is the long-term expected rate of return on tax-exempt, high quality municipal bonds based on the S&P municipal bond 20 year high grade rate index as of the measurement date.

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

The changes in the total OPEB liability based on the reporting date were as follows for the fiscal year ended September 30, 2023:

|                                                   |                          |
|---------------------------------------------------|--------------------------|
| <b>Total OPEB Liability at September 30, 2022</b> | <b>\$ 158,395</b>        |
| <b>Changes for the Current Year</b>               |                          |
| Service cost                                      | 8,858                    |
| Interest                                          | 3,770                    |
| Changes in assumptions                            | (30,776)                 |
| Benefit payments                                  | <u>(864)</u>             |
| <b>Net Changes</b>                                | <u>(19,012)</u>          |
| <b>Total OPEB Liability at September 30, 2023</b> | <b><u>\$ 139,383</u></b> |

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

***CHANGES IN THE TOTAL OPEB LIABILITY (CONTINUED)***

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

The following presents the net OPEB liability of the Council, calculated using the discount rate of 4.40%, as well as what the Council's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

| 1.0%<br>Decrease<br>(3.40%) | Current<br>Discount<br>Rate (4.40%) | 1%<br>Increase<br>(5.40%) |
|-----------------------------|-------------------------------------|---------------------------|
| <u>\$ 154,023</u>           | <u>\$ 139,383</u>                   | <u>\$ 126,444</u>         |

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

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

| 1.0%<br>Decrease<br>(6.5% decreasing<br>to 3.5%) | Healthcare Cost<br>Trend Rate<br>(7.5% decreasing<br>to 4.5%) | 1.0%<br>Increase<br>(8.5% decreasing<br>to 5.5%) |
|--------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------|
| <u>\$ 123,767</u>                                | <u>\$ 139,383</u>                                             | <u>\$ 157,476</u>                                |

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

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

For the fiscal year ended September 30, 2023, the Council recognized revenue from OPEB of \$17,936. At September 30, 2023, the Council reported deferred inflows/outflows of resources related to OPEB from the following sources:

|                                                   | Deferred<br>Outflows | Deferred<br>Inflows |
|---------------------------------------------------|----------------------|---------------------|
| Difference between expected and actual experience | \$ 7,173             | \$ 41,584           |
| Changes in assumptions                            | 15,135               | 162,152             |
| <b>Totals</b>                                     | <u>\$ 22,308</u>     | <u>\$ 203,736</u>   |

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

| For the Year Ending<br>September 30, | Amount              |
|--------------------------------------|---------------------|
| 2024                                 | \$ (28,336)         |
| 2025                                 | (40,881)            |
| 2026                                 | (43,299)            |
| 2027                                 | (30,295)            |
| 2028                                 | (24,139)            |
| Thereafter                           | (14,478)            |
| <b>Total</b>                         | <u>\$ (181,428)</u> |

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

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

The balance of \$9,309,269 in due to program service providers represents reimbursement for expenditures by funded agencies and other contracted programmatic consulting services substantially performed in August and September 2023.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

The budget of the Property Appraiser's office, as approved by the Department of Revenue, is the basis upon which taxing authorities of the County (except municipalities and the district school board) are billed by the Property Appraiser for services rendered. Each taxing authority is billed an amount that bears the same proportion to the total amount of the budget as its share of ad valorem taxes bear to the total levied for the preceding year. The Council paid fees of approximately \$833,000 to the Property Appraiser for the fiscal year ended September 30, 2023, which are recorded as general and administrative expenses/expenditures.

The Tax Collector's actual costs of collection must not exceed 2% of the tax revenues collected. The Council's fees and charges for the year amounted to approximately \$1,268,000 or 0.9% of tax revenues collected and are recorded as general and administrative expenses/expenditures.

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

***RETIREMENT PLAN***

The Council sponsors a defined contribution retirement plan administered by an independent company. The Governing Board may amend benefits and other plan provisions. A defined contribution retirement plan provides retirement benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution retirement plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investment of those contributions. Forfeitures offset the Council's contributions and are not reallocated to other participants' accounts. There were no Forfeitures used to offset Council's contributions for the fiscal year ended September 30, 2023.

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

***RETIREMENT PLAN (CONTINUED)***

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

During the year, the Council's required contributions amounted to approximately \$1,274,752 which was 13.2% of the current year's covered payroll. Contributions to the retirement plan are made monthly. For the fiscal year ended September 30, 2023, the Council's total payroll (not including accrued benefits) for all employees was approximately \$9,689,881 and the Council's contributions to the plan were based on a payroll of approximately \$9,485,000.

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

***DEFERRED COMPENSATION PLAN***

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

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

***DEFERRED COMPENSATION PLAN (CONTINUED)***

The plan provisions provide that all assets of the plan be held in trust, or under one or more appropriate annuity contracts or custodial accounts, for the exclusive benefit of plan participants and their beneficiaries. The deferred compensation plan is administered by Alerus Financial, N.A. and all assets and income of the plan are held in trust for the exclusive benefit of participants and the Council has no fiduciary responsibility for the plan. Accordingly, the assets and liabilities of the plan are not included in the Council's financial statements. Council contributions to the plan for the fiscal year ended September 30, 2023 were \$0.

**NOTE 13 – RETIREMENT HEALTH SAVINGS PLAN**

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

Participation in the plan is mandatory for all full time employees and part-time employees who work an average of 21 hours per week (90 day minimum period of service and over 18 years of age). The plan is a defined contribution plan and is funded based on the amount of the employees' accrued sick leave. All contributions to the plan are on a pre-tax basis and withdrawals are tax-free if used by the participant, spouse or dependent for qualified expenses. Annual mandatory employee sick leave contributions are as follows: 0% if less than 100 hours accrued, 20% if 100-150 hours accrued, 25% if 151-200 hours accrued, 30% if 201-250 hours accrued, and 35% if 251 or more hours accrued. Council contributions to the plan for the fiscal year ended September 30, 2023 were approximately \$215,000.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 14 – COMMITMENTS AND CONTINGENCY**

***OPERATING LEASES***

The Council leases equipment under various operating lease agreements expiring through September 2025. Total rent expense in connection with these agreements amounted to approximately \$30,500 for the year ended September 30, 2023. These leases were not subject to GASB No. 87.

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

| For the Year Ending<br>September 30, | Amount                  |
|--------------------------------------|-------------------------|
| 2024                                 | \$ 30,178               |
| 2025                                 | <u>10,969</u>           |
| <b>Total</b>                         | <b><u>\$ 41,147</u></b> |

***LITIGATION***

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

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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

**REQUIRED SUPPLEMENTARY INFORMATION**

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

| Measurement Date, September 30,                                             | 2022              | 2021              | 2020              | 2019              | 2018              | 2017              |
|-----------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Total OPEB Liability</b>                                                 |                   |                   |                   |                   |                   |                   |
| Service cost                                                                | \$ 8,858          | \$ 11,605         | \$ 10,404         | \$ 9,688          | \$ 10,172         | \$ 32,597         |
| Interest                                                                    | 3,770             | 4,878             | 5,285             | 5,274             | 4,166             | 11,186            |
| Differences between expected and actual experience                          | --                | (69,306)          | --                | 24,067            | --                | 4,884             |
| Changes of assumptions                                                      | (30,776)          | 4,293             | 12,083            | 38,632            | (6,804)           | (284,891)         |
| Benefit payments                                                            | (864)             | (4,488)           | (9,314)           | (2,367)           | (8,072)           | --                |
| <b>Net Change in Total OPEB Liability</b>                                   | (19,012)          | (53,018)          | 18,458            | 75,294            | (538)             | (236,224)         |
| <b>Total OPEB Liability - Beginning</b>                                     | <u>158,395</u>    | <u>211,413</u>    | <u>192,955</u>    | <u>117,661</u>    | <u>118,199</u>    | <u>354,423</u>    |
| <b>Total OPEB Liability - Ending</b>                                        | <u>\$ 139,383</u> | <u>\$ 158,395</u> | <u>\$ 211,413</u> | <u>\$ 192,955</u> | <u>\$ 117,661</u> | <u>\$ 118,199</u> |
| <b>Covered-Employee Payroll</b>                                             | \$ 9,136,000      | \$ 8,941,000      | \$ 8,771,000      | \$ 8,206,000      | \$ 7,992,000      | \$ 7,232,000      |
| <b>Total OPEB Liability as a Percentage of<br/>Covered-Employee Payroll</b> | 1.53%             | 1.77%             | 2.41%             | 2.35%             | 1.47%             | 1.63%             |

**Notes to Schedule**

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

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

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## **SUPPLEMENTARY INFORMATION**

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

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

|                                                                | Final<br>Budget      | Actual               | Variance            |
|----------------------------------------------------------------|----------------------|----------------------|---------------------|
| <b>Quality Childcare Programs</b>                              |                      |                      |                     |
| Afterschool Program Development                                | \$ 4,051,408         | \$ 3,924,669         | \$ 126,739          |
| Community Empowerment Program                                  | 63,000               | 35,194               | 27,806              |
| CSC Scholarship Initiative                                     | 32,153,974           | 32,153,974           | --                  |
| Early Head Start Administration/FCCH Technical Assistance/GOLD | 591,213              | 508,071              | 83,142              |
| Early Head Start Match                                         | 353,989              | 317,217              | 36,772              |
| Expanded Learning Opportunities                                | 3,361,949            | 3,341,258            | 20,691              |
| Head Start Match                                               | 4,830,570            | 4,817,645            | 12,925              |
| Match Funding                                                  | 156,171              | 132,202              | 23,969              |
| Professional Development System                                | 2,686,789            | 2,441,666            | 245,123             |
| Quality Early Care & Education Special Projects                | 318,097              | 12,859               | 305,238             |
| SEEK Scholarships                                              | 1,150,000            | 1,040,005            | 109,995             |
| STEAM Program                                                  | 365,000              | 353,161              | 11,839              |
| Summer Camp Scholarships                                       | 3,750,000            | 3,717,935            | 32,065              |
| Tier Reimbursement Supplements                                 | 4,000,000            | 3,319,862            | 680,138             |
| Training Registry Management                                   | 220,369              | 212,597              | 7,772               |
| <b>Total Quality Childcare Programs</b>                        | <b>58,052,529</b>    | <b>56,328,315</b>    | <b>1,724,214</b>    |
| <b>Healthy Beginnings Programs</b>                             |                      |                      |                     |
| 211 of Palm Beach/Treasure Coast, Inc.                         | 249,037              | 249,037              | --                  |
| Centering Pregnancy                                            | 455,175              | 410,053              | 45,122              |
| Child First                                                    | 3,065,395            | 2,807,031            | 258,364             |
| Community Voice                                                | 946,983              | 863,790              | 83,193              |
| Counseling for Parents and Young Children                      | 1,191,667            | 963,369              | 228,298             |
| Early Intervention Assessment Team                             | 679,659              | 581,980              | 97,679              |
| Early Literacy Book Distribution                               | 231,259              | 230,844              | 415                 |
| Early Steps                                                    | 1,974,898            | 1,850,908            | 123,990             |
| Entry Agency (Birth-5)                                         | 4,293,188            | 3,947,684            | 345,504             |
| Entry Agency (Prenatal)                                        | 4,145,108            | 4,014,001            | 131,107             |
| Environmental Opioid and Marijuana Prevention                  | 50,000               | 42,561               | 7,439               |
| Fetal Infant Mortality Review                                  | 202,945              | 96,134               | 106,811             |
| First Step to Success                                          | 2,009,543            | 1,795,267            | 214,276             |
| Forward Leaps                                                  | 220,477              | 149,333              | 71,144              |
| Growing Smart                                                  | 489,394              | 467,241              | 22,153              |
| Healthy Beginnings Nurses                                      | 3,660,738            | 3,568,161            | 92,577              |
| Healthy Families Florida                                       | 1,752,090            | 1,662,060            | 90,030              |
| Healthy Steps                                                  | 1,382,498            | 1,244,278            | 138,220             |
| Help Me Grow                                                   | 271,990              | 261,039              | 10,951              |
| Mental Health Services                                         | 526,105              | 436,454              | 89,651              |
| Nurse Family Partnership                                       | 1,192,714            | 1,090,265            | 102,449             |
| Nutrition Services for Women and Families                      | 365,113              | 325,965              | 39,148              |
| <b>Subtotal Healthy Beginnings Programs</b>                    | <b>\$ 29,355,976</b> | <b>\$ 27,057,455</b> | <b>\$ 2,298,521</b> |

(Continued)

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

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

|                                                  | Final<br>Budget      | Actual               | Variance            |
|--------------------------------------------------|----------------------|----------------------|---------------------|
| <b>Healthy Beginnings Programs (continued)</b>   |                      |                      |                     |
| ParentChild+                                     | \$ 3,149,046         | \$ 2,942,823         | \$ 206,223          |
| ParentChild+ Program Supplies                    | 205,139              | 205,139              | --                  |
| Primary Project                                  | 960,839              | 874,361              | 86,478              |
| Project DULCE                                    | 421,509              | 354,218              | 67,291              |
| Reach Out and Read                               | 351,949              | 345,016              | 6,933               |
| T.E.A.M. Dad Fatherhood Engagement Program       | 50,000               | 40,793               | 9,207               |
| Teen Triple P                                    | 974,569              | 822,722              | 151,847             |
| Transportation Services                          | 319,894              | 297,161              | 22,733              |
| Triple P                                         | 1,709,103            | 1,597,248            | 111,855             |
| WHIN Nurses                                      | 589,723              | 561,374              | 28,349              |
| Wyman's Teen Outreach                            | 1,213,354            | 1,123,822            | 89,532              |
| <b>Total Healthy Beginnings Programs</b>         | <u>39,301,101</u>    | <u>36,222,132</u>    | <u>3,078,969</u>    |
| <b>Bridges Program</b>                           |                      |                      |                     |
| Bridges Program                                  | <u>6,688,414</u>     | <u>6,150,083</u>     | <u>538,331</u>      |
| <b>Initiatives</b>                               |                      |                      |                     |
| Access for Success                               | 189,272              | 164,249              | 25,023              |
| ACCESS Positions                                 | 125,000              | 90,000               | 35,000              |
| BeWellPBC                                        | 50,000               | 50,000               | --                  |
| Birth to 22                                      | 50,000               | 8,591                | 41,409              |
| Children's Advocacy Project                      | 4,542,469            | 4,542,469            | --                  |
| Community Connectors                             | 106,860              | 70,009               | 36,851              |
| Community Driven Innovations                     | 691,903              | 390,982              | 300,921             |
| Drowning Prevention                              | 100,000              | 100,000              | --                  |
| Glades Family Education Program                  | 80,755               | 78,378               | 2,377               |
| Great Ideas Initiative - Support For Recovery    | 606,440              | 514,440              | 92,000              |
| Hunger Relief Infrastructure and Program Support | 30,000               | 30,000               | --                  |
| Mental Health Assistance Programs                | 263,140              | 25,000               | 238,140             |
| Mentoring                                        | 2,249,273            | 2,200,209            | 49,064              |
| Other Program Services                           | 225,619              | --                   | 225,619             |
| Palm Beach County Circle Campaign                | 122,476              | 122,476              | --                  |
| Palm Beach County Food Bank                      | 509,961              | 506,482              | 3,479               |
| Public Education/Awareness                       | 1,653,000            | 1,496,846            | 156,154             |
| Resident Leadership                              | 175,000              | 33,558               | 141,442             |
| Resource Depot                                   | 75,000               | 75,000               | --                  |
| Safe Kids                                        | 396,626              | 383,843              | 12,783              |
| Safety and Justice Programs                      | 117,508              | 117,508              | --                  |
| Scholastic Books                                 | 225,000              | 97,442               | 127,558             |
| Special Needs                                    | 1,437,084            | 1,396,416            | 40,668              |
| Special Projects                                 | 251,514              | 251,514              | --                  |
| <b>Total Initiatives</b>                         | <u>\$ 14,273,900</u> | <u>\$ 12,745,412</u> | <u>\$ 1,528,488</u> |

(Continued)

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

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

|                                                                      | Final<br>Budget       | Actual                | Variance            |
|----------------------------------------------------------------------|-----------------------|-----------------------|---------------------|
| <b>Training and Accountability</b>                                   |                       |                       |                     |
| Agency Accreditation and Management Services                         | \$ 1,164,303          | \$ 1,105,741          | \$ 58,562           |
| Application, Maintenance and Development                             | 85,000                | 66,150                | 18,850              |
| Child First Program Fees                                             | 238,200               | 236,954               | 1,246               |
| Computer Inventory Replacement                                       | 175,000               | 133,496               | 41,504              |
| Continuous Improvement Initiative                                    | 225,000               | 176,592               | 48,408              |
| Data Entry                                                           | 763,969               | 731,634               | 32,335              |
| HB System Evaluation                                                 | 150,000               | 89,376                | 60,624              |
| HB Workforce Scholarships                                            | 150,000               | 123,874               | 26,126              |
| Healthy Beginnings Data Systems                                      | 662,500               | 596,720               | 65,780              |
| Healthy Beginnings Data Systems Cyber Security                       | 20,000                | 20,000                | --                  |
| Issue Trak                                                           | 4,800                 | 4,800                 | --                  |
| Non Profit Legal Assistance Project                                  | 64,000                | 64,000                | --                  |
| Nurse Family Partnership Fees                                        | 3,298                 | 3,297                 | 1                   |
| ParentChild+ National Program Office (Director)                      | 169,623               | 167,987               | 1,636               |
| ParentChild+ Training                                                | 25,000                | --                    | 25,000              |
| Program Evaluations                                                  | 92,772                | 13,637                | 79,135              |
| Registry Website Hosting and Maintenance                             | 105,000               | 85,070                | 19,930              |
| SAMIS                                                                | 47,000                | 32,900                | 14,100              |
| Server Hosting                                                       | 45,000                | 44,100                | 900                 |
| SmartSoft Address Verification                                       | 800                   | 769                   | 31                  |
| System Training and Materials                                        | 95,000                | 60,376                | 34,624              |
| Touchpoints and IMH                                                  | 210,000               | 153,341               | 56,659              |
| Triple P                                                             | 150,000               | 53,822                | 96,178              |
| Wyman's Fees                                                         | 7,000                 | 7,000                 | --                  |
| <b>Total Training and Accountability</b>                             | <u>4,653,265</u>      | <u>3,971,636</u>      | <u>681,629</u>      |
| <b>Prior Year Contracted Programs Refunds</b>                        | <u>--</u>             | <u>(49,006)</u>       | <u>49,006</u>       |
| <b>Total Program Services Expenditures -<br/>Children's Programs</b> | <u>\$ 122,969,209</u> | <u>\$ 115,368,572</u> | <u>\$ 7,600,637</u> |

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

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

|                                         | Program Administrative Support |                      |                     | Administrative and General |                     |                   |
|-----------------------------------------|--------------------------------|----------------------|---------------------|----------------------------|---------------------|-------------------|
|                                         | Final<br>Budget                | Actual               | Variance            | Final<br>Budget            | Actual              | Variance          |
| <b>Administrative Expenditures</b>      |                                |                      |                     |                            |                     |                   |
| <b>Personnel Services</b>               |                                |                      |                     |                            |                     |                   |
| Salaries                                | \$ 6,988,012                   | \$ 6,440,216         | \$ 547,796          | \$ 3,371,384               | \$ 3,249,664        | \$ 121,720        |
| FICA                                    | 536,264                        | 481,282              | 54,982              | 250,929                    | 230,199             | 20,730            |
| Retirement                              | 1,093,746                      | 973,793              | 119,953             | 554,011                    | 515,895             | 38,116            |
| Florida reemployment                    | 10,637                         | 5,613                | 5,024               | 5,184                      | 2,891               | 2,293             |
| Worker's compensation                   | 15,583                         | 10,043               | 5,540               | 6,455                      | 3,907               | 2,548             |
| Health/Life/AD&D                        | 2,166,368                      | 1,755,378            | 410,990             | 862,112                    | 660,235             | 201,877           |
| Temporary personnel                     | 19,791                         | 6,169                | 13,622              | 20,209                     | 2,720               | 17,489            |
| Tuition reimbursement                   | --                             | --                   | --                  | 25,000                     | --                  | 25,000            |
| Other fringe benefits                   | 88,254                         | 75,788               | 12,466              | 36,546                     | 28,366              | 8,180             |
| CEO auto allowance                      | --                             | --                   | --                  | 8,400                      | 8,400               | --                |
| <b>Total Personnel Services</b>         | <u>10,918,655</u>              | <u>9,748,282</u>     | <u>1,170,373</u>    | <u>5,140,230</u>           | <u>4,702,277</u>    | <u>437,953</u>    |
| <b>Travel</b>                           |                                |                      |                     |                            |                     |                   |
| Travel-in-area                          | 9,929                          | 4,001                | 5,928               | 3,296                      | 830                 | 2,466             |
| Conferences/staff development           | 91,200                         | 67,184               | 24,016              | 98,410                     | 24,594              | 73,816            |
| Council member travel                   | --                             | --                   | --                  | 1,000                      | --                  | 1,000             |
| <b>Total Travel</b>                     | <u>101,129</u>                 | <u>71,185</u>        | <u>29,944</u>       | <u>102,706</u>             | <u>25,424</u>       | <u>77,282</u>     |
| <b>Building</b>                         | <u>593,184</u>                 | <u>576,803</u>       | <u>16,381</u>       | <u>235,518</u>             | <u>224,397</u>      | <u>11,121</u>     |
| <b>Communications</b>                   |                                |                      |                     |                            |                     |                   |
| Telephones                              | 44,606                         | 44,024               | 582                 | 17,808                     | 17,129              | 679               |
| Postage                                 | --                             | --                   | --                  | 16,500                     | 13,819              | 2,681             |
| <b>Total Communications</b>             | <u>44,606</u>                  | <u>44,024</u>        | <u>582</u>          | <u>34,308</u>              | <u>30,948</u>       | <u>3,360</u>      |
| <b>Printing and Supplies</b>            |                                |                      |                     |                            |                     |                   |
| Printing                                | 1,398                          | 363                  | 1,035               | 552                        | 165                 | 387               |
| Supplies                                | 51,360                         | 45,996               | 5,364               | 25,540                     | 24,677              | 863               |
| <b>Total Printing and Supplies</b>      | <u>52,758</u>                  | <u>46,359</u>        | <u>6,399</u>        | <u>26,092</u>              | <u>24,842</u>       | <u>1,250</u>      |
| <b>Contractual Services</b>             |                                |                      |                     |                            |                     |                   |
| Professional                            | 34,444                         | 22,407               | 12,037              | 492,634                    | 302,377             | 190,257           |
| <b>Other</b>                            |                                |                      |                     |                            |                     |                   |
| Insurance                               | --                             | --                   | --                  | 262,068                    | 260,866             | 1,202             |
| Staff development - In house            | --                             | --                   | --                  | 60,000                     | 54,098              | 5,902             |
| Dues and subscriptions                  | 44,750                         | 45,478               | (728)               | 201,849                    | 150,056             | 51,793            |
| Rewards and recognition                 | --                             | --                   | --                  | 12,000                     | 8,343               | 3,657             |
| Public notices, employment              | --                             | --                   | --                  | 8,000                      | 5,566               | 2,434             |
| Advertising and background checks       | --                             | --                   | --                  | 3,000                      | 1,623               | 1,377             |
| Copier equipment                        | 23,194                         | 23,194               | --                  | 12,897                     | 9,024               | 3,873             |
| Computer maintenance                    | 254,391                        | 254,391              | --                  | 106,619                    | 98,978              | 7,641             |
| Banking services                        | --                             | --                   | --                  | 5,000                      | 4,810               | 190               |
| Non-depreciable furniture and equipment | --                             | --                   | --                  | 30,000                     | 26,982              | 3,018             |
| <b>Total Other</b>                      | <u>322,335</u>                 | <u>323,063</u>       | <u>(728)</u>        | <u>701,433</u>             | <u>620,346</u>      | <u>81,087</u>     |
| <b>Total Expenditures</b>               | <u>\$ 12,067,111</u>           | <u>\$ 10,832,123</u> | <u>\$ 1,234,988</u> | <u>\$ 6,732,921</u>        | <u>\$ 5,930,611</u> | <u>\$ 802,310</u> |

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

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

|                                   | Final<br>Budget     | Actual              | Variance            |
|-----------------------------------|---------------------|---------------------|---------------------|
| <b>Other Expenditures</b>         |                     |                     |                     |
| Property Appraiser fees           | \$ 925,000          | \$ 833,024          | \$ 91,976           |
| Tax Collector fee                 | <u>2,705,940</u>    | <u>1,268,113</u>    | <u>1,437,827</u>    |
| <b>Total Other Expenditures</b>   | <u>\$ 3,630,940</u> | <u>\$ 2,101,137</u> | <u>\$ 1,529,803</u> |
| <b>Capital Outlay</b>             |                     |                     |                     |
| Building and improvements         | \$ 222,000          | \$ 220,979          | \$ 1,021            |
| Furniture, fixtures and equipment | <u>46,000</u>       | <u>--</u>           | <u>46,000</u>       |
| <b>Total Capital Outlay</b>       | <u>\$ 268,000</u>   | <u>\$ 220,979</u>   | <u>\$ 47,021</u>    |

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

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

|                                               | Final<br>Budget     | Actual              | Variance          |
|-----------------------------------------------|---------------------|---------------------|-------------------|
| <b>Quality Childcare Programs</b>             |                     |                     |                   |
| Bridges Liaison                               | \$ 54,931           | \$ 54,301           | \$ 630            |
| Research Specialist                           | 123,002             | 89,832              | 33,170            |
| Technical Assistance Specialists              | 1,268,242           | 813,014             | 455,228           |
| Tier Reimbursement Supplements                | <u>970,000</u>      | <u>759,475</u>      | <u>210,525</u>    |
| <b>Total Quality Childcare Programs</b>       | <u>2,416,175</u>    | <u>1,716,622</u>    | <u>699,553</u>    |
| <b>Total Children's Programs Expenditures</b> | <u>\$ 2,416,175</u> | <u>\$ 1,716,622</u> | <u>\$ 699,553</u> |

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## **STATISTICAL SECTION**

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# STATISTICAL SECTION

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# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

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

|                                                        | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 |
|--------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental Activities:</b>                        |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Investment in capital assets                           | \$ 20,832,932        | \$ 19,554,398        | \$ 18,952,794        | \$ 18,124,662        | \$ 17,098,171        | \$ 16,451,202        | \$ 15,841,371        | \$ 15,257,227        | \$ 14,694,828        | \$ 14,376,277        |
| Restricted                                             | --                   | --                   | --                   | --                   | --                   | --                   | --                   | --                   | --                   | --                   |
| Unrestricted                                           | <u>59,971,908</u>    | <u>52,177,351</u>    | <u>46,929,507</u>    | <u>49,446,120</u>    | <u>45,693,760</u>    | <u>42,833,131</u>    | <u>47,599,262</u>    | <u>58,818,490</u>    | <u>65,816,832</u>    | <u>73,854,440</u>    |
| <b>Total Governmental<br/>Activities, Net Position</b> | <u>\$ 80,804,840</u> | <u>\$ 71,731,749</u> | <u>\$ 65,882,301</u> | <u>\$ 67,570,782</u> | <u>\$ 62,791,931</u> | <u>\$ 59,284,333</u> | <u>\$ 63,440,633</u> | <u>\$ 74,075,717</u> | <u>\$ 80,511,660</u> | <u>\$ 88,230,717</u> |

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

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

|                                                       | Fiscal Year           |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|-------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                                       | 2014                  | 2015                  | 2016                  | 2017                  | 2018                  | 2019                  | 2020                  | 2021                  | 2022                  | 2023                  |
| <b>Expenses:</b>                                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities:                              |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Program services:                                     |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Children's programs                                   | \$ 86,686,474         | \$ 91,703,086         | \$ 96,768,722         | \$ 98,148,862         | \$ 105,869,659        | \$ 108,485,981        | \$ 108,849,511        | \$ 108,432,487        | \$ 111,892,090        | \$ 117,085,194        |
| Program administrative support                        | 9,611,044             | 9,497,225             | 10,599,901            | 10,379,993            | 10,715,687            | 11,011,891            | 11,036,773            | 10,756,241            | 10,771,841            | 11,333,989            |
|                                                       | 96,297,518            | 101,200,311           | 107,368,623           | 108,528,855           | 116,585,346           | 119,497,872           | 119,886,284           | 119,188,728           | 122,663,931           | 128,419,183           |
| Governmental activities:                              |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Administrative and general                            | 7,095,790             | 6,842,174             | 6,051,019             | 6,178,127             | 6,150,243             | 6,250,241             | 6,502,293             | 7,245,442             | 7,542,166             | 8,255,970             |
| <b>Total Governmental Activities Expenses</b>         | <b>\$ 103,393,308</b> | <b>\$ 108,042,485</b> | <b>\$ 113,419,642</b> | <b>\$ 114,706,982</b> | <b>\$ 122,735,589</b> | <b>\$ 125,748,113</b> | <b>\$ 126,388,577</b> | <b>\$ 126,434,170</b> | <b>\$ 130,206,097</b> | <b>\$ 136,675,153</b> |
| <b>Program Revenues:</b>                              |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities:                              |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Operating grants and contributions                    | \$ 5,640,202          | \$ 7,599,171          | \$ 7,493,464          | \$ 6,445,350          | \$ 4,218,387          | \$ 3,084,099          | \$ 3,799,318          | \$ 4,675,921          | \$ 3,958,583          | \$ 3,652,856          |
| <b>Total Governmental Activities Program Revenues</b> | <b>\$ 5,640,202</b>   | <b>\$ 7,599,171</b>   | <b>\$ 7,493,464</b>   | <b>\$ 6,445,350</b>   | <b>\$ 4,218,387</b>   | <b>\$ 3,084,099</b>   | <b>\$ 3,799,318</b>   | <b>\$ 4,675,921</b>   | <b>\$ 3,958,583</b>   | <b>\$ 3,652,856</b>   |
| <b>Net (Expense)/Revenue</b>                          |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities                               | \$ (97,753,106)       | \$ (100,443,314)      | \$ (105,926,178)      | \$ (108,261,632)      | \$ (118,517,202)      | \$ (122,664,014)      | \$ (122,589,259)      | \$ (121,758,249)      | \$ (126,247,514)      | \$ (133,022,297)      |
| <b>General Revenues:</b>                              |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities:                              |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Ad valorem taxes                                      | \$ 88,197,559         | \$ 90,722,502         | \$ 99,018,241         | \$ 108,983,420        | \$ 112,434,398        | \$ 116,172,110        | \$ 124,840,675        | \$ 131,993,293        | \$ 133,598,896        | \$ 135,692,657        |
| Investment income & unrealized losses                 | 138,674               | 245,095               | 663,892               | 562,469               | 1,193,296             | 2,731,230             | 1,655,314             | 240,379               | (1,101,302)           | 4,897,070             |
| Miscellaneous                                         | 239,430               | 345,084               | 394,597               | 404,224               | 268,646               | 253,076               | 249,570               | 159,661               | 185,863               | 151,627               |
| <b>Total Governmental Activities</b>                  | <b>\$ 88,575,663</b>  | <b>\$ 91,312,681</b>  | <b>\$ 100,076,730</b> | <b>\$ 109,950,113</b> | <b>\$ 113,896,340</b> | <b>\$ 119,156,416</b> | <b>\$ 126,745,559</b> | <b>\$ 132,393,333</b> | <b>\$ 132,683,457</b> | <b>\$ 140,741,354</b> |
| <b>Change in Net Position</b>                         |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities                               | \$ (9,177,443)        | \$ (9,130,633)        | \$ (5,849,448)        | \$ 1,688,481          | \$ (4,620,862)        | \$ (3,507,598)        | \$ 4,156,300          | \$ 10,635,084         | \$ 6,435,943          | \$ 7,719,057          |

# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

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

---

| Fiscal<br>Year | Nonspendable | Assigned      | Unassigned    | Total<br>General<br>Fund |
|----------------|--------------|---------------|---------------|--------------------------|
| 2014           | \$ 203,056   | \$ 20,907,835 | \$ 39,611,139 | \$ 60,722,030            |
| 2015           | 363,852      | 14,843,281    | 37,636,510    | 52,843,643               |
| 2016           | 356,262      | 9,076,761     | 38,301,542    | 47,734,565               |
| 2017           | 381,695      | 10,281,153    | 39,699,676    | 50,362,524               |
| 2018           | 382,312      | 12,210,846    | 34,268,051    | 46,861,209               |
| 2019           | 556,567      | 8,187,008     | 35,311,707    | 44,055,282               |
| 2020           | 461,225      | 4,175,989     | 44,340,636    | 48,977,850               |
| 2021           | 556,545      | 4,537,830     | 55,185,682    | 60,280,057               |
| 2022           | 500,408      | 8,868,237     | 57,856,200    | 67,224,845               |
| 2023           | 841,756      | 13,742,976    | 60,864,279    | 75,449,011               |

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

# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

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

|                                                              | Fiscal Year           |                       |                       |                     |                       |                       |                     |                      |                     |                     |
|--------------------------------------------------------------|-----------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|---------------------|----------------------|---------------------|---------------------|
|                                                              | 2014                  | 2015                  | 2016                  | 2017                | 2018                  | 2019                  | 2020                | 2021                 | 2022                | 2023                |
| <b>Revenues:</b>                                             |                       |                       |                       |                     |                       |                       |                     |                      |                     |                     |
| Ad valorem taxes                                             | \$ 88,197,559         | \$ 90,722,502         | \$ 99,018,241         | \$ 108,983,420      | \$ 112,434,398        | \$ 116,172,110        | \$ 124,840,675      | \$ 131,993,293       | \$ 133,598,896      | \$ 135,692,657      |
| Grant income                                                 | 5,640,202             | 7,599,171             | 7,493,464             | 6,445,350           | 4,218,387             | 3,084,099             | 3,799,318           | 4,675,921            | 3,958,583           | 3,652,856           |
| Income from Tenants                                          | --                    | 74,938                | 75,267                | 76,220              | 71,479                | 69,978                | 70,414              | 72,473               | 67,201              | 63,179              |
| Interest income                                              | 138,674               | 210,550               | 615,075               | 701,549             | 1,114,625             | 2,047,884             | 1,338,938           | 481,596              | 558,955             | 4,675,909           |
| Appreciation/(loss) on investments                           | --                    | 34,545                | 48,817                | (139,080)           | 78,671                | 683,346               | 316,376             | (241,217)            | (1,660,257)         | 221,161             |
| Sponsorship fee and other income                             | <u>239,430</u>        | <u>261,230</u>        | <u>347,883</u>        | <u>341,604</u>      | <u>199,564</u>        | <u>183,098</u>        | <u>173,255</u>      | <u>84,959</u>        | <u>118,662</u>      | <u>88,448</u>       |
| <b>Total Revenues</b>                                        | 94,215,865            | 98,902,936            | 107,598,747           | 116,409,063         | 118,117,124           | 122,240,515           | 130,538,976         | 137,067,025          | 136,642,040         | 144,394,210         |
| <b>Expenditures:</b>                                         |                       |                       |                       |                     |                       |                       |                     |                      |                     |                     |
| Program services - children's programs                       | 86,686,474            | 91,703,086            | 96,768,722            | 98,148,862          | 105,869,659           | 108,485,980           | 108,849,511         | 108,432,487          | 111,892,090         | 117,085,194         |
| Program services - administrative support                    | 8,768,331             | 8,644,106             | 9,752,600             | 9,553,792           | 9,911,338             | 10,499,513            | 10,464,612          | 10,251,890           | 10,410,072          | 10,832,123          |
| Administrative and general                                   | 5,281,209             | 4,731,723             | 4,167,502             | 4,325,147           | 4,208,879             | 4,463,883             | 4,571,047           | 5,009,994            | 5,459,269           | 5,930,611           |
| Other                                                        | 1,456,604             | 1,670,970             | 1,554,011             | 1,531,680           | 1,628,563             | 1,591,267             | 1,708,738           | 2,039,310            | 1,921,646           | 2,101,137           |
| Capital outlay                                               | <u>296,881</u>        | <u>31,438</u>         | <u>464,993</u>        | <u>221,623</u>      | <u>--</u>             | <u>5,800</u>          | <u>22,500</u>       | <u>31,137</u>        | <u>14,175</u>       | <u>220,979</u>      |
| <b>Total Expenditures</b>                                    | <u>102,489,499</u>    | <u>106,781,323</u>    | <u>112,707,828</u>    | <u>113,781,104</u>  | <u>121,618,439</u>    | <u>125,046,443</u>    | <u>125,616,408</u>  | <u>125,764,818</u>   | <u>129,697,252</u>  | <u>136,170,044</u>  |
| <b>Excess (Deficiency) of<br/>Revenues Over Expenditures</b> | <u>\$ (8,273,634)</u> | <u>\$ (7,878,387)</u> | <u>\$ (5,109,081)</u> | <u>\$ 2,627,959</u> | <u>\$ (3,501,315)</u> | <u>\$ (2,805,928)</u> | <u>\$ 4,922,568</u> | <u>\$ 11,302,207</u> | <u>\$ 6,944,788</u> | <u>\$ 8,224,166</u> |
| <b>Other Financing Sources (Uses):</b>                       |                       |                       |                       |                     |                       |                       |                     |                      |                     |                     |
| Transfers in                                                 | 2,154,113             | 2,187,492             | 2,434,322             | 2,321,507           | 2,402,932             | 2,389,399             | 2,282,325           | 2,162,306            | 2,033,916           | 1,716,622           |
| Transfers out                                                | <u>(2,154,113)</u>    | <u>(2,187,492)</u>    | <u>(2,434,322)</u>    | <u>(2,321,507)</u>  | <u>(2,402,932)</u>    | <u>(2,389,399)</u>    | <u>(2,282,325)</u>  | <u>(2,162,306)</u>   | <u>(2,033,916)</u>  | <u>(1,716,622)</u>  |
| <b>Total Other Financing Sources (Uses)</b>                  | <u>--</u>             | <u>--</u>             | <u>--</u>             | <u>--</u>           | <u>--</u>             | <u>--</u>             | <u>--</u>           | <u>--</u>            | <u>--</u>           | <u>--</u>           |
| <b>Net Change in Fund Balance</b>                            | <u>\$ (8,273,634)</u> | <u>\$ (7,878,387)</u> | <u>\$ (5,109,081)</u> | <u>\$ 2,627,959</u> | <u>\$ (3,501,315)</u> | <u>\$ (2,805,928)</u> | <u>\$ 4,922,568</u> | <u>\$ 11,302,207</u> | <u>\$ 6,944,788</u> | <u>\$ 8,224,166</u> |

# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

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

| Fiscal<br>Year Ended<br>September 30, | Residential<br>Property | Commercial<br>Property | Industrial<br>Property | Other (1)        | Less: Tax-Exempt<br>Property | Total<br>Taxable<br>Assessed Value | Total<br>Council<br>Tax Rate (2) |
|---------------------------------------|-------------------------|------------------------|------------------------|------------------|------------------------------|------------------------------------|----------------------------------|
| 2014                                  | \$ 133,838,509,211      | \$ 18,192,107,879      | \$ 3,538,728,868       | \$ 2,816,124,507 | \$ 28,063,972,313            | \$ 130,321,498,152                 | 0.7025                           |
| 2015                                  | 131,648,730,012         | 21,696,599,907         | 4,639,356,160          | 9,717,953,437    | 28,145,414,755               | 139,557,224,761                    | 0.6745                           |
| 2016                                  | 133,814,975,922         | 27,834,485,582         | 3,863,326,594          | 14,562,044,405   | 27,380,431,109               | 152,694,401,394                    | 0.6677                           |
| 2017                                  | 148,666,146,189         | 24,863,246,181         | 4,785,621,547          | 17,195,822,292   | 30,001,580,138               | 165,509,256,071                    | 0.6833                           |
| 2018                                  | 158,815,174,719         | 26,298,973,436         | 5,218,098,747          | 18,350,304,182   | 31,422,380,077               | 177,260,171,007                    | 0.6590                           |
| 2019                                  | 167,919,886,180         | 27,513,330,447         | 5,720,723,948          | 19,443,932,202   | 32,342,268,448               | 188,255,604,329                    | 0.6403                           |
| 2020                                  | 177,522,913,919         | 28,867,118,253         | 6,246,551,684          | 20,617,680,153   | 33,776,951,035               | 199,477,312,974                    | 0.6497                           |
| 2021                                  | 188,866,489,278         | 28,757,953,562         | 6,735,109,304          | 20,956,654,222   | 34,469,083,357               | 210,847,123,009                    | 0.6497                           |
| 2022                                  | 195,929,740,678         | 32,538,768,032         | 7,850,127,167          | 23,268,291,499   | 36,954,618,956               | 222,632,308,420                    | 0.6233                           |
| 2023                                  | 225,583,244,126         | 36,568,424,512         | 8,927,483,239          | 24,099,757,724   | 39,306,784,366               | 255,872,125,235                    | 0.5508                           |

Source: Palm Beach County Property Appraiser USECODE-P

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

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

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

# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

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

| Fiscal Year | Council           |                   |            | Overlapping Rates (a) |                                    |                                             |                                    |                                           |
|-------------|-------------------|-------------------|------------|-----------------------|------------------------------------|---------------------------------------------|------------------------------------|-------------------------------------------|
|             | Basic Direct Rate | Debt Service Rate | Total Rate | Palm Beach County (a) | Palm Beach County School Board (b) | South Florida Water Management District (c) | Florida Inland Navigation District | Health Care District of Palm Beach County |
| 2014        | 0.7025            | --                | 0.7025     | 4.9729                | 7.5940                             | 0.4110                                      | 0.0345                             | 1.0800                                    |
| 2015        | 0.6745            | --                | 0.6745     | 4.9729                | 7.5940                             | 0.3842                                      | 0.0345                             | 1.0800                                    |
| 2016        | 0.6677            | --                | 0.6677     | 4.9277                | 7.5120                             | 0.3551                                      | 0.0320                             | 1.0426                                    |
| 2017        | 0.6833            | --                | 0.6833     | 4.9142                | 7.0700                             | 0.3307                                      | 0.0320                             | 0.8993                                    |
| 2018        | 0.6590            | --                | 0.6590     | 4.9023                | 6.7690                             | 0.3100                                      | 0.0320                             | 0.7808                                    |
| 2019        | 0.6403            | --                | 0.6403     | 4.8980                | 6.5720                             | 0.2936                                      | 0.0320                             | 0.7261                                    |
| 2020        | 0.6497            | --                | 0.6497     | 4.8580                | 7.1640                             | 0.2795                                      | 0.0320                             | 0.7261                                    |
| 2021        | 0.6497            | --                | 0.6497     | 4.8124                | 7.0100                             | 0.2675                                      | 0.0320                             | 0.7261                                    |
| 2022        | 0.6233            | --                | 0.6233     | 4.8149                | 6.8750                             | 0.2572                                      | 0.0320                             | 0.7261                                    |
| 2023        | 0.5508            | --                | 0.5508     | 4.7439                | 6.5190                             | 0.2301                                      | 0.0320                             | 0.7261                                    |

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

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

(b) Includes local and state board.

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

# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

## PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

| Taxpayer                               | 2023                |      | 2014                              |                    |      |                                   |
|----------------------------------------|---------------------|------|-----------------------------------|--------------------|------|-----------------------------------|
|                                        | Taxes Levied        | Rank | Percent to Aggregate Taxes Levied | Taxes Levied       | Rank | Percent to Aggregate Taxes Levied |
| Florida Power & Light CO               | \$ 4,122,031        | 1    | 2.92%                             | \$2,746,139        | 1    | 3.00%                             |
| Town Center At Boca Raton Trust        | 368,430             | 2    | 0.26%                             | 261,190            | 2    | 0.29%                             |
| Breakers Palm Beach, Inc               | 240,113             | 3    | 0.17%                             | 186,416            | 4    | 0.20%                             |
| Boca Owner LLC                         | 236,972             | 4    | 0.17%                             | --                 |      |                                   |
| Gardens Venture LLC                    | 200,343             | 5    | 0.14%                             | 154,550            | 6    | 0.17%                             |
| Publix Super Markets Inc               | 150,649             | 6    | 0.11%                             | --                 |      |                                   |
| 777 South Flagler Associates LLC       | 135,440             | 7    | 0.10%                             | --                 |      |                                   |
| JFK Medical Center Limited Partnership | 123,284             | 8    | 0.09%                             | --                 |      |                                   |
| Minto PBLH LLC                         | 71,379              | 9    | 0.05%                             | --                 |      |                                   |
| U.S. Sugar Corp                        | 66,650              | 10   | 0.05%                             | 59,110             | 9    | 0.06%                             |
| Bellsouth Telecommunications           | --                  |      |                                   | 200,024            | 3    | 0.22%                             |
| Comcast                                | --                  |      |                                   | 170,495            | 5    | 0.19%                             |
| Panthers BRHC LTD                      | --                  |      |                                   | 115,316            | 7    | 0.13%                             |
| HUB Properties Trust                   | --                  |      |                                   | 104,706            | 8    | 0.11%                             |
| Okeelanta Corporation                  | --                  |      |                                   | 46,084             | 10   | 0.05%                             |
| <b>Total Principal Taxpayers</b>       | <b>\$ 5,715,291</b> |      | <b>4.06%</b>                      | <b>\$4,044,030</b> |      | <b>4.42%</b>                      |

Source: Palm Beach County, Office of the Tax Collector

# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

| Fiscal Year<br>Ended<br>September 30, | Taxes Levied for<br>the Fiscal Year | Collected within the Fiscal<br>Year of the Levy |                       | Collections in<br>Subsequent<br>Years | Total Collections to Date |                       |
|---------------------------------------|-------------------------------------|-------------------------------------------------|-----------------------|---------------------------------------|---------------------------|-----------------------|
|                                       |                                     | Amount                                          | Percentage<br>of Levy |                                       | Amount                    | Percentage<br>of Levy |
| 2014                                  | \$ 91,550,852                       | \$ 87,982,941                                   | 96.1%                 | \$ 545,765                            | \$ 88,528,706             | 96.7%                 |
| 2015                                  | 94,131,348                          | 90,722,502                                      | 96.4%                 | 530,478                               | 91,252,980                | 96.9%                 |
| 2016                                  | 101,954,052                         | 99,018,241                                      | 97.1%                 | 144,109                               | 99,162,350                | 97.3%                 |
| 2017                                  | 113,092,475                         | 108,551,468                                     | 96.0%                 | 78,624                                | 108,630,092               | 96.1%                 |
| 2018                                  | 116,814,453                         | 112,369,084                                     | 96.2%                 | 87,562                                | 112,456,646               | 96.3%                 |
| 2019                                  | 120,540,063                         | 115,991,509                                     | 96.2%                 | 197,077                               | 116,188,586               | 96.4%                 |
| 2020                                  | 129,600,410                         | 124,648,664                                     | 96.2%                 | 95,179                                | 124,743,843               | 96.3%                 |
| 2021                                  | 136,987,376                         | 131,809,385                                     | 96.2%                 | 114,426                               | 131,923,811               | 96.3%                 |
| 2022                                  | 138,766,718                         | 133,480,066                                     | 96.2%                 | 152,104                               | 133,632,170               | 96.3%                 |
| 2023                                  | 140,934,367                         | 135,459,291                                     | 96.1%                 | --                                    | 135,459,291               | 96.1%                 |

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

# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

| Year | Population<br>(1) | Personal<br>Income<br>(thousands)<br>(1) | Per Capita<br>Personal<br>Income<br>(1) | Median Age<br>(1) | Public<br>School<br>Enrollment<br>(2) | Unemployment<br>Rate (3) |
|------|-------------------|------------------------------------------|-----------------------------------------|-------------------|---------------------------------------|--------------------------|
| 2014 | 1,360,183         | \$ 93,526,272                            | \$ 66,914                               | 44.20             | 180,172                               | 6.00%                    |
| 2015 | 1,378,417         | 97,806,900                               | 68,743                                  | 44.30             | 183,447                               | 5.20%                    |
| 2016 | 1,391,741         | 103,876,015                              | 71,946                                  | 44.00             | 186,291                               | 5.10%                    |
| 2017 | 1,414,144         | 109,973,732                              | 74,754                                  | 44.40             | 189,320                               | 3.60%                    |
| 2018 | 1,433,367         | 118,519,249                              | 79,760                                  | 44.40             | 190,021                               | 3.10%                    |
| 2019 | 1,447,857         | 124,632,614                              | 83,268                                  | 44.20             | 190,146                               | 3.20%                    |
| 2020 | 1,466,494         | 131,881,463                              | 87,478                                  | 44.20             | 192,669                               | 7.00%                    |
| 2021 | 1,502,495         | 150,737,459                              | 100,627                                 | 44.30             | 186,915                               | 4.10%                    |
| 2022 | 1,518,152         | 165,598,174                              | 109,055                                 | 45.30             | 190,754                               | 2.80%                    |
| 2023 | 1,532,718         | N/A                                      | N/A                                     | N/A               | 190,817                               | 3.30%                    |

### Source:

- (1) Florida Legislature Office of Economic and Demographic Research  
<http://edr.state.fl.us/Content/area-profiles/county/palmbeach.pdf>
- (2) The School District of Palm Beach County Annual Comprehensive Financial Report  
[Annual Comprehensive Financial Report \(ACFR\) - Google Drive](#)
- (3) Business Development Board - Palm Beach County, Florida (prior to 2023)  
<https://www.bdb.org/facts-figures/palm-beach-county-labor-trends/>
- (3) U.S. Bureau of Labor Statistics (for 2023)  
[One-Screen Data Search \(bis.gov\)](#)
- N/A Not Available

## CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

### PRINCIPAL EMPLOYERS CURRENT AND NINE YEARS AGO

|                                             | 2023                       |      |                                                 | 2014                       |      |                                                 |
|---------------------------------------------|----------------------------|------|-------------------------------------------------|----------------------------|------|-------------------------------------------------|
|                                             | Number of<br>Employees (1) | Rank | Percentage of<br>Total County<br>Employment (1) | Number of<br>Employees (1) | Rank | Percentage of<br>Total County<br>Employment (1) |
| Palm Beach County School District           | 22,218                     | 1    | 2.82%                                           | 21,449                     | 1    | 4.10%                                           |
| Palm Beach County Government                | 5,873                      | 2    | 0.74%                                           | 5,330                      | 3    | 1.02%                                           |
| Tenet Coastal Division Palm Beach County    | 5,734 *                    | 3    | 0.73%                                           | 6,100                      | 2    | 1.17%                                           |
| NextEra Energy, Inc.                        | 5,330 *                    | 4    | 0.68%                                           | --                         | --   | --                                              |
| Florida Atlantic University                 | 5,059 *                    | 5    | 0.64%                                           | 2,980                      | 6    | 0.57%                                           |
| Baptist Health South Florida                | 3,135 *                    | 6    | 0.40%                                           | --                         | --   | --                                              |
| Veterans Health Administration              | 2,948                      | 7    | 0.37%                                           | 2,700                      | 8    | 0.52%                                           |
| Jupiter Medical Center                      | 2,540                      | 8    | 0.32%                                           | --                         | --   | --                                              |
| Hospital Corporation of America (HCA)       | 2,419 *                    | 9    | 0.31%                                           | 2,714                      | 7    | 0.52%                                           |
| The Breakers                                | 2,300                      | 10   | 0.29%                                           | --                         | --   | --                                              |
| Columbia Palm Beach Health Care System Inc. | --                         | --   | --                                              | 3,804                      | 4    | 0.73%                                           |
| G4S                                         | --                         | --   | --                                              | 3,000                      | 5    | 0.57%                                           |
| Bethesda Memorial Hospital                  | --                         | --   | --                                              | 2,643                      | 9    | 0.50%                                           |
| Boca Raton Regional Hospital                | --                         | --   | --                                              | 2,250                      | 10   | 0.43%                                           |
| Total                                       | <u>57,556</u>              |      | <u>7.30%</u>                                    | <u>52,970</u>              |      | <u>10.13%</u>                                   |

Source:

(1) Business Development Board of Palm Beach County, Florida.

<https://www.bdb.org/facts-figures/top-employers>

\* Updated figures unavailable at date of publication

# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

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

| Full-Time<br>Equivalent<br>Employees as of<br>September 30, | Executive<br>Administration<br>and Operations | Talent | Finance | Program<br>Services | Communications | Information<br>Management | Grand Total |
|-------------------------------------------------------------|-----------------------------------------------|--------|---------|---------------------|----------------|---------------------------|-------------|
| 2014                                                        | 3                                             | 13     | 13      | 47                  | 18             | -                         | 94          |
| 2015                                                        | 3                                             | 14     | 15      | 48                  | 7              | 11                        | 98          |
| 2016                                                        | 3                                             | 12     | 15      | 50                  | 6              | 11                        | 97          |
| 2017                                                        | 3                                             | 13     | 15      | 48                  | 8              | 13                        | 100         |
| 2018                                                        | 3                                             | 13     | 14      | 48                  | 8              | 15                        | 101         |
| 2019                                                        | 3                                             | 12     | 15      | 50                  | 8              | 15                        | 103         |
| 2020                                                        | 3                                             | 12     | 15      | 49                  | 7              | 15                        | 101         |
| 2021                                                        | 3                                             | 12     | 15      | 48                  | 6              | 14                        | 98          |
| 2022                                                        | 8                                             | 7      | 14      | 45                  | 6              | 14                        | 94          |
| 2023                                                        | 8                                             | 8      | 15      | 49                  | 7              | 13                        | 100         |

Source: Children's Services Council of Palm Beach County - Finance Division

Note: Communications and Information Management were separated in FY 2015.  
Talent and Operations were separated in FY 2022; Operations is included with Executive Administration.

# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

## OPERATING INDICATORS LAST TEN FISCAL YEARS

### Utilization

#### Contract/Direct Services:

| <u>Fiscal Year</u> | <u>Amount<br/>Under<br/>Contract (a)</u> | <u>Actual<br/>Expenditures<br/>(b)</u> | <u>Under-<br/>utilized (c)</u> |
|--------------------|------------------------------------------|----------------------------------------|--------------------------------|
| 2014               | 100%                                     | 97%                                    | 3%                             |
| 2015               | 100%                                     | 93%                                    | 7%                             |
| 2016               | 100%                                     | 95%                                    | 5%                             |
| 2017               | 100%                                     | 93%                                    | 7%                             |
| 2018               | 100%                                     | 96%                                    | 4%                             |
| 2019               | 100%                                     | 96%                                    | 4%                             |
| 2020               | 100%                                     | 93%                                    | 7%                             |
| 2021               | 100%                                     | 91%                                    | 9%                             |
| 2022               | 100%                                     | 93%                                    | 7%                             |
| 2023               | 100%                                     | 93%                                    | 7%                             |

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

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

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

### General Fund Total Expenditures & Transfers Out as a Percentage of Revenues

| <u>Fiscal Year</u> | <u>Budget (d)</u> | <u>Actual (e)</u> |
|--------------------|-------------------|-------------------|
| 2014               | 114%              | 109%              |
| 2015               | 120%              | 108%              |
| 2016               | 114%              | 105%              |
| 2017               | 108%              | 98%               |
| 2018               | 110%              | 103%              |
| 2019               | 110%              | 102%              |
| 2020               | 106%              | 96%               |
| 2021               | 103%              | 92%               |
| 2022               | 103%              | 95%               |
| 2023               | 106%              | 94%               |

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

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

Source: Children's Services Council of Palm Beach County - Finance Division

# CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

## OPERATING BUDGET TRENDS LAST TEN FISCAL YEARS

|                             | 2014                  | 2015                  | 2016                  | 2017                  | 2018                  | 2019                  | 2020                  | 2021                  | 2022                  | 2023                  |
|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                             | Budget                | Budget                | Budget                | Budget                | Budget                | Budget                | Budget                | Budget                | Budget                | Budget                |
| Quality Childcare Programs  | \$ 48,211,355         | \$ 53,676,049         | \$ 53,299,633         | \$ 54,183,328         | \$ 57,533,215         | \$ 56,646,666         | \$ 56,419,864         | \$ 56,239,942         | \$ 57,640,113         | \$ 60,468,704         |
| Healthy Beginnings Programs | 25,346,575            | 27,206,284            | 29,405,411            | 29,570,527            | 32,826,063            | 34,753,513            | 35,451,886            | 36,432,864            | 36,812,916            | 39,301,101            |
| Bridges Programs            | 5,367,319             | 5,558,334             | 5,815,484             | 5,673,797             | 5,952,934             | 6,032,884             | 6,163,624             | 6,111,677             | 6,331,561             | 6,688,414             |
| Initiatives *               | 10,270,255            | 12,461,337            | 12,176,334            | 10,062,994            | 10,809,643            | 11,959,010            | 13,978,514            | 15,331,515            | 14,916,352            | 14,273,900            |
| Training & Accountability   | --                    | --                    | --                    | 4,510,982             | 3,539,610             | 3,804,392             | 4,453,665             | 4,665,782             | 4,521,768             | 4,653,265             |
| Administration              | <u>14,363,086</u>     | <u>14,869,273</u>     | <u>14,906,468</u>     | <u>14,760,324</u>     | <u>15,279,336</u>     | <u>15,812,683</u>     | <u>16,357,988</u>     | <u>16,599,714</u>     | <u>17,571,674</u>     | <u>18,800,032</u>     |
| <b>Total</b>                | <u>\$ 103,558,590</u> | <u>\$ 113,771,277</u> | <u>\$ 115,603,330</u> | <u>\$ 118,761,952</u> | <u>\$ 125,940,801</u> | <u>\$ 129,009,148</u> | <u>\$ 132,825,541</u> | <u>\$ 135,381,494</u> | <u>\$ 137,794,384</u> | <u>\$ 144,185,416</u> |

Source: Children's Services Council of Palm Beach County - Finance Division

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

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## **REPORTING SECTION**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of the Children's Services Council of Palm Beach County (the Council) as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated March 15, 2024.

***Report on Internal Control Over Financial Reporting***

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

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

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

### ***Report on Compliance and Other Matters***

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

### ***Purpose of this Report***

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

*Marcum LLP*

West Palm Beach, FL  
March 15, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR  
FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

**Report on Compliance for the Major Federal Program and Major State Project**

***Opinion on the Major Federal Program and Major State Project***

We have audited the Children's Services Council of Palm Beach County's (the "Council") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements described in the *State of Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on the Council's major federal program and major state project for the fiscal year ended September 30, 2023. The Council's major federal program and major state project are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Council complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program and major state project for the fiscal year ended September 30, 2023.

***Basis for Opinion on the Major Federal Program and Major State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program and major state project. Our audit does not provide a legal determination of the Council's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Council's federal programs and state projects.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Council's compliance with the requirements the major federal program and major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on 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 or a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project 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 or state project 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Marcum LLP". The signature is written in a cursive, flowing style.

West Palm Beach, FL  
March 15, 2024

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

| Federal/State Agency, Pass-Through Entity<br>Federal Program/State Project | ALN/<br>CFSA No. | Grant Number/<br>Pass-through<br>Entity<br>Identifying<br>Number | Total<br>Federal/State<br>Expenditures | Passed<br>Through to<br>Subrecipients |
|----------------------------------------------------------------------------|------------------|------------------------------------------------------------------|----------------------------------------|---------------------------------------|
| Federal Awards                                                             |                  |                                                                  |                                        |                                       |
| U.S. Department of Health and Human Services                               |                  |                                                                  |                                        |                                       |
| Pass through award from:                                                   |                  |                                                                  |                                        |                                       |
| Healthy Start MomCare Network, Inc.                                        |                  |                                                                  |                                        |                                       |
| Medicaid Cluster                                                           |                  |                                                                  |                                        |                                       |
| Medical Assistance Program (Medicaid; Title XIX)                           | 93.778           | GFA089-28                                                        | \$ 1,845,117                           | \$ 1,820,632                          |
| Total Medicaid Cluster                                                     |                  |                                                                  | <u>1,845,117</u>                       | <u>1,820,632</u>                      |
| Pass-through award from:                                                   |                  |                                                                  |                                        |                                       |
| State of Florida, Department of Health                                     |                  |                                                                  |                                        |                                       |
| Maternal and Child Health Services Block Grant<br>to the States            | 93.994           | COSGS                                                            | <u>291,587</u>                         | <u>285,559</u>                        |
| Passed through from Florida Department of Children<br>and Families:        |                  |                                                                  |                                        |                                       |
| Foster Care Title IV-E                                                     | 93.658           | YLJ77                                                            | <u>529,452</u>                         | <u>529,452</u>                        |
| Total U.S. Department of Health and Human Services                         |                  |                                                                  | <u>2,666,156</u>                       | <u>2,635,643</u>                      |
| Total Expenditures of Federal Awards                                       |                  |                                                                  | <u>2,666,156</u>                       | <u>2,635,643</u>                      |
| State Financial Assistance                                                 |                  |                                                                  |                                        |                                       |
| Florida Department of Health                                               |                  |                                                                  |                                        |                                       |
| Healthy Start Coalitions                                                   | 64.131           | COSGS                                                            | <u>933,225</u>                         | <u>910,751</u>                        |
| Perinatal Mental Health                                                    | 64.160           | COSGS                                                            | <u>52,725</u>                          | <u>52,725</u>                         |
| Total Florida Department of Health                                         |                  |                                                                  | <u>985,950</u>                         | <u>963,476</u>                        |
| Total Expenditures of State Financial Assistance                           |                  |                                                                  | <u>985,950</u>                         | <u>963,476</u>                        |
| Total Expenditures of Federal Awards and State<br>Financial Assistance     |                  |                                                                  | \$ 3,652,106                           | \$ 3,599,119                          |

*See notes to the schedule of expenditures of federal awards and state financial assistance.*

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

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSITANCE**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards and state financial assistance (the “Schedule”) includes the federal award and state grant activity of Children’s Services Council of Palm Beach County (the “Council”) under programs of the federal government and state agencies for the fiscal year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”), and Chapter 10.550, Rules of the Auditor General (“Chapter 10.550”). 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 the changes in net position of the Council.

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

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the Florida Single Audit Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 – MATCHING REQUIREMENTS**

Certain grants funded by the U.S. Department of Health and Human Services (“HHS”) include State matching funds and maintenance of effort funding requirements. The Medical Assistance Program (CFDA 93.778) under Contract GFA089-28 includes State matching funding from the State of Florida Department of Health (“DOH”). The State matching amounts are considered part of the federal award and therefore are not considered State financial assistance subject to Section 215.97, Florida Statutes, the Florida Single Audit Act. The amounts designated as matching funds for federal award programs are summarized as follows:

| Federal Award                        | AL<br>Number | Amount                   |
|--------------------------------------|--------------|--------------------------|
| Medical Assistance Program (Cluster) | 93.778       | \$ 675,405               |
| <b>Totals</b>                        |              | <u><u>\$ 675,405</u></u> |

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

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 4 – INDIRECT COST RATE**

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

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

***FINANCIAL STATEMENTS***

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

*Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_ Yes    X No

Significant deficiency(ies) identified?

\_\_\_ Yes    X None Reported

Noncompliance material to financial statement noted?

\_\_\_ Yes    X No

***FEDERAL AWARDS AND STATE PROJECTS***

Internal control over its major federal program  
and major state project:

Material weakness(es) identified?

\_\_\_ Yes    X No

Significant deficiency(ies) identified?

\_\_\_ Yes    X None Reported

Type of auditor's report issued on compliance  
over major federal program and state project:

*Unmodified Opinion*

Any audit findings disclosed that are required to be  
reported in accordance with 2 CFR 200.516(a) or  
Chapter 10.557, Rules of the Auditor General?

\_\_\_ Yes    X No

***IDENTIFICATION OF MAJOR PROGRAM AND PROJECT***

Federal Program

AL No.

Medicaid Cluster- Medical Assistance Program

93.778

State Project

CSFA No.

Healthy Start Coalitions

64.131

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

\$ 750,000

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**SECTION I – SUMMARY OF AUDITORS' RESULTS (CONTINUED)**

***IDENTIFICATION OF MAJOR PROGRAM AND PROJECT (CONTINUED)***

Dollar threshold used to distinguish between Type A and

Type B state projects:

\$ 300,000

Auditee qualified as low-risk auditee (federal)?

  X   Yes          No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

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

None

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

None

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

None

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

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

***Report on the Financial Statements***

We have audited the financial statements of the Children's Services Council of Palm Beach County (the "Council"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 15, 2024.

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

***Other Reporting Requirements***

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for the Major Federal Program and Major State Project and Report on Internal Control over Compliance Required By Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated March 15, 2024, should be considered in conjunction with this management letter.

***Prior Audit Findings***

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

### ***Official Title and Legal Authority***

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Council is a special independent taxing district authorized under the Laws of Florida Statutes Chapter 86-196. Also, as discussed in Note 1, the Council included Prevention Partnerships for Children, Inc. a not-for-profit 501(c)(3) corporation, as a blended component unit of the Council.

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

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

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

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

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

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

### ***Specific Information***

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

- a. The total number of employees compensated in the last pay period of the Council's fiscal year as 101.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Council's fiscal year as 40.

- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$9,689,881.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$1,966,536.
- e. Each construction project with a total cost of at least \$65,000 approved by the Council that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as; none.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Council amends a final adopted budget under Section 189.016(6), Florida Statutes, as noted in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – General Fund.

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

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

- a. The millage rate or rates imposed by the Council as .5508
- b. The total amount of ad valorem taxes collected by or on behalf of the Council as \$135,692,657
- c. The total amount of outstanding bonds issued by the Council and the terms of such bonds as none.

***Additional Matters***

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

***Purpose of this Letter***

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

*Marcum LLP*

West Palm Beach, FL  
March 15, 2024

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

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

We have examined Children's Services Council of Palm Beach County's (the "Council") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2023. 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.

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

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

In our opinion, the Council complied, in all material respects, with Section 218.415, Florida Statutes for the fiscal year ended September 30, 2023.

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

*Marcum LLP*

West Palm Beach, FL  
March 15, 2024