



## Children's Services Council of Broward County Finance Committee Meeting

February 28, 2024 @ 10:30am

Loc: Florida Dept of Health – Broward (with Zoom access)  
(780 SW 24<sup>th</sup> St, Fort Lauderdale 33315)

### Agenda

- |       |   |          |   |
|-------|---|----------|---|
| I.    | Call to Order   |          | Dr. Paula Thaqi, <i>Committee Chair</i>         |
| II.   | Approve Nov 2023 Finance Minutes                                  | (Tab 27) |   |
| III.  | Auditor's Required Communications                                 | (Tab 28) | Israel Gomez, CPA<br>Keefe McCullough           |
| IV.   | Review Draft FY 22-23 Annual Comprehensive Financial Report       | (Tab 29) | Monti Larsen, COO<br>Israel Gomez, CPA          |
| V.    | Investment Quarterly Report as of December 31, 2023               | (Tab 30) | Scott Sweeten, BCM, CFS<br>PFM Asset Management |
| VI.   | Recommend to Full Council Increasing the Building Fund Commitment | (Tab 31) | Cindy Arenberg Seltzer, <i>President/CEO</i>    |
| VII.  | Public & Members' Comments  |          | Dr. Paula Thaqi, <i>Committee Chair</i>         |
| VIII. | Adjourn   |          |   |

**TAB 27**

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**

**Finance Committee Meeting**

**Virtual Zoom Meeting  
November 28, 2023 @ 2:30 p.m.**

**Minutes**

**Finance Committee Members in Attendance:**

Health Department Director Paula Thaqi (*Finance Committee Chair*), Governor Appointee Cathy Donnelly

**Staff in Attendance:**

Cindy Arenberg Seltzer (President/CEO), Monti Larsen, Kathleen Campbell, Amy Jacques

**Guests in Attendance:**

Scott Sweeten (*PFM Asset Management*)

**Agenda:**

**I. Call to Order**

Dr. Thaqi (*Finance Committee Chair*) called the meeting to order at 2:34 P.M.

**II. Finance Committee Minutes**

Members reviewed the August 2023 meeting minutes and did not have any edits.

**III. Investment Quarterly Report**

Mr. Scott Sweeten, BCM, CFS, Sr. Managing Consultant for PFM Asset Management, delivered an investment performance review for the Quarter Ended September 30, 2023. He gave a brief market update, noting that the U.S. economy continues to be very strong, inflation is trending downward, the labor market continues to be strong, and the GDP remains robust. He also noted that interest rates reached their highest levels since 2006-2007.

Mr. Sweeten then highlighted the CSC portfolio, stating that it was in an ideal position moving forward and had positive yields across the board.

**IV. Public & Members' Comments**

Ms. Arenberg Seltzer announced the hiring of a new Budget Director, Alicia Williams, who was previously Assistant Director to the Finance Director.

## ***DRAFT***

Ms. Arenberg Seltzer also announced that CSC's Annual Comprehensive Financial Report received a Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting. She explained that this Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

### **V. Adjourn**

The meeting adjourned at 3:25 P.M.

**TAB 28**

March 21, 2024

To the Members of the Council and  
Members of the Finance Committee  
Children's Services Council of Broward County

We have audited the financial statements of the governmental activities, and the major fund of the Children's Services Council of Broward County (the "Council"), for the year ended September 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated July 20, 2022. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Council are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023, except for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. We noted no transactions entered into by the Council during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Council's financial statements were as follows:

- *The fair value of investments held at year-end* – In accordance with GASB Statement No. 40, *Deposit, and Investment Risk Disclosures* and GASB Statement No. 72, *Fair Value Measurement and Application*, we have included summarized information to aid the reader in understanding the Council's investment portfolio.
- *Depreciation/amortization of capital assets* – Depreciation/amortization is provided on a straight-line basis over the respective estimated useful lives of capital assets. The Council has informed us they used all relevant facts available to them at the time of acquisition to make the best judgments about the depreciation methods and estimated useful lives of capital assets.

- *Net OPEB obligation* – In Florida, state statutes require that the employer make health insurance coverage available to retirees at the employer's group rate. This creates an implicit cost arising as a result of the blended rate premium since retiree health care costs, on average, are higher than those of active employee healthcare costs. The Council obtained an actuarial valuation to record its estimated costs and liability in accordance with the requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- *Net pension liability related to the Florida Retirement System* – In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and other applicable governmental accounting pronouncements, the Council has recorded its share of the Florida Retirement System Pension Plan (FRS) defined benefit plan liability, including deferred inflows and outflows, and the Retiree Health Insurance Subsidy Program (HIS) defined benefit plan liability, including deferred inflows and outflows, based on the State of Florida's Schedule of Employer Allocations, Schedule of Other Pension Amounts by Employer, and the Notes to the Schedules which have been audited by the Auditor General of the State of Florida.

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

#### *Difficulties Encountered in Performing the Audit*

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

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements noted during our audit.

#### *Disagreements with Management*

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

#### *Management Representations*

We requested certain representations from management that are included in the management representation letter dated (DATE).

#### *Management Consultations with Other Independent Accountants*

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

### *Other Audit Findings or Issues*

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

### Other Matters

We applied certain limited procedures to management's discussion and analysis, the budgetary schedule - general fund, and the schedules related to pension (Florida Retirement System), including other post employment benefits (OPEB), which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards, which accompany the financial statements but is not RSI. With respect to this supplementary information we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Management has confirmed to us that the final version of the *popular annual financial report* ("annual report") will be provided to us as soon as available, and prior to its issuance. We will read it and consider whether material inconsistencies exist, on selected amounts or other items, between the annual report and the Council's audited financial statements. We are not responsible for omitted information or for the completeness of the information.

### Restriction on Use

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

Very truly yours,

KEEFE McCULLOUGH



**TAB 29**

## For Finance Committee Meeting February 26, 2024

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**Issue:** Annual Comprehensive Financial Report (“ACFR”) for Fiscal Year Ending September 30, 2023.

**Action:**

1. Accept Auditor’s Report for FY Ending September 30, 2023.
2. Approve Draft ACFR for FY Ending September 30, 2023.

**Budget Impact:** None.

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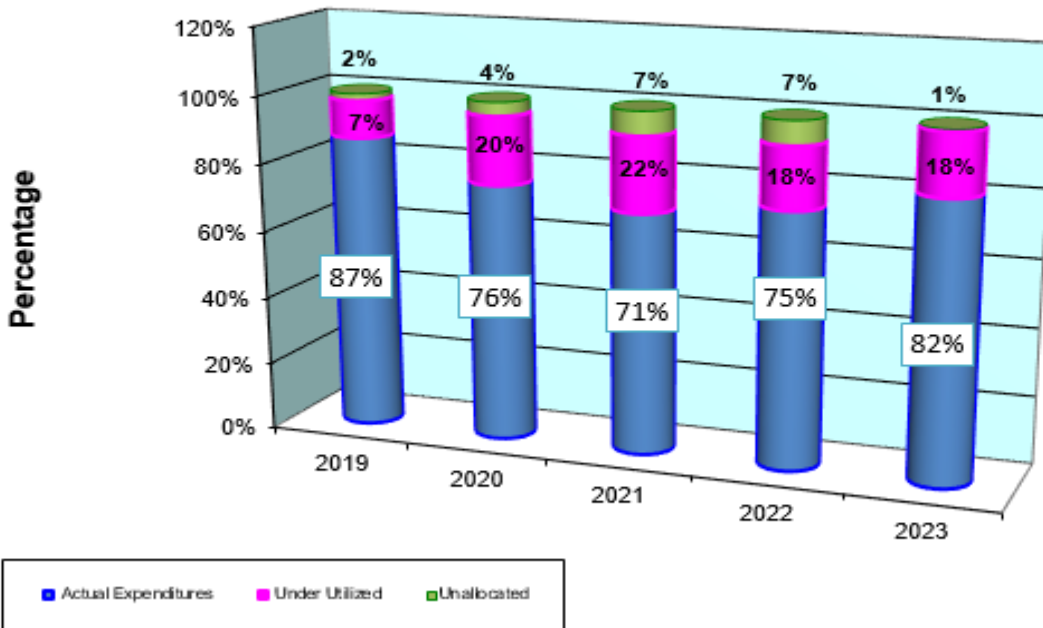
**Background:** The fiscal year-end 2022/23 Preliminary Financial Statements were reviewed and approved at the December 8th Council meeting. These statements are the basis for the Annual Comprehensive Financial Statements (“ACFR”) for the fiscal year ending September 30, 2023. The ACFR presents two perspectives of accounting as required by the Government Accounting Standards Board (“GASB”) to reflect the government’s financial position. One perspective is the Government-Wide Financial Statements which converts the information to an accounting method used by most private-sector companies (see page 14 for a fuller description). The other perspective presents Fund Accounting which is how we operate during the year (see page 15 for more information).

**Current Status:** The Draft ACFR is attached as a pdf for your review; however, if you prefer a hard copy, we can provide one. The draft report will be submitted to the full Council for approval in March. The final printed and bound ACFR will be distributed at the Council’s April meeting. The ACFR will be submitted to GFOA before the deadline of March 31st for review for Excellence in Financial Reporting. Significant financial highlights for the year include:

- ❖ The total taxes budgeted through TRIM for Fiscal Year 22/23 totaled \$105.48 million, which was an increase of \$6.1 million or 6% over the prior year. The total tax revenue received at year-end was under budget by \$85,720; however, this is usually due to timing and may be fully collected in subsequent years.

- ❖ Interest earned on the SBA and FL Palm Pooled investments totaled \$4.3 million, which is substantially more than the amount earned in the prior year and contributed to a growth in Fund Balance. The Managed Fund Investments had an unrealized gain of \$746,910 on September 30, which is a great improvement when compared to a net loss of \$447,607 in the prior fiscal year.
- ❖ The Program Services/Support budget increased by \$5.5 million or 5% through the judicious use of fund balance. The corresponding expenditures increased by 14% or \$11.9 million from the prior year. Providers were able to address many of the service delivery challenges over the past few years and were able to better draw down their contracts. Thus, overall program utilization was higher than last year but less than budgeted. This was another contributor to an increase in Fund Balance, although not as much as the prior year. Final program utilization for FY 22/23 was 82%, which is 7% more than last fiscal year, with 18% due to Provider underutilization and 1% unallocated. Below is a chart that highlights utilization trends over the past five years.

**CSC's Contracted Programs Budget Utilization per Fiscal Year**



- ❖ General Administration, factoring out the Non-Operating Expenditures of CRA and Tax Collector fees, came in under budget with the total actual administrative rate under 5%. Philosophically, while budgeted amounts need to be set slightly higher to allow for unforeseen events during the year, it is a testament to prudent financial management when the actual expenditures repeatedly come in under budget.
- ❖ CSC ended the year with a \$79.3 million total Fund Balance, an increase of \$8 million or 11% from the prior year. As noted throughout the ACFR, this increase in Fund Balance is due primarily to a significant increase in investment earnings and underutilization. CSC usually does not budget much revenue from investment earnings, due to its uncertainty of returns due to interest rate and market fluctuations. Of this \$79.3 million fund balance, \$20.4 million will be used for budget priorities in FY23-24. The Council has historically used a portion of fund balance for this purpose to help offset tax increases while maintaining or expanding programmatic services. Additionally, the Council committed \$6 million towards a building fund to prepare for future growth, \$21.5 million or 17%, approximately two months of the annual operating budget, is maintained as minimum fund balance to be used for unanticipated emergencies. The remainder of \$31.4 million provides a cushion to address future declines in property values and is available for spending at the Council's discretion.

During this Finance Committee Meeting, the auditors will summarize the report providing points of interest included in the Auditor's Required Communications. This is Keefe McCullough CPAs second year of providing auditing services under the current agreement and the audit went very smoothly. There are no adjusting entries made from the preliminary financial statements issued in December. The final ACFR will include the Independent Auditors' Report in which the Council received an "unmodified" opinion. Additional related ACFR Audit Reports include their reports on internal controls and compliance reporting related to the grants that the Council receives.

Keefe McCulloch CPA recently merged with Citrin Cooperman and Company LLP a licensed CPA firm. We were assured by audit Partner Israel Gomez, that this merger would not affect our existing agreement with Keefe McCullough CPAs to provide audit services through the fiscal year ending September 30, 2026.

**Recommended Action:**

1. Accept Auditor's Report for FY Ending September 30, 2023.
2. Approve Draft ACFR for FY Ending September 30, 2023.





# Children's Services Council

of Broward County  
Our Focus is Our Children.

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## Annual Comprehensive Financial Report Fiscal Year Ended September 30, 2023

## CHILDREN'S SERVICES COUNCIL MEMBERS:



**Dr. David H. Kenton, Chair**  
Governor Appointee



**Jeffrey S. Wood, Vice Chair**  
Governor Appointee



**Beam Furr, Secretary**  
Broward County Commission



**Honorable Michael Davis**  
Judicial Member



**Cathy Donnelly**  
Governor Appointee



**Dr. Alan Zeman**  
Board Member  
Broward County Public Schools



**Dr. Peter B. Licata**  
Superintendent  
Broward County Public Schools



**Dawn Liberta**  
Past Chair of CSC



**Dr. Paula Thaqi**  
Director of Broward County  
Health Department

**Vacant**  
Governor Appointee

**Vacant**  
Governor Appointee

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**Children's Services Council  
Of Broward County, Florida**

**for the**

**Fiscal Year Ended September 30, 2023**

**Issued By:**

**Cindy J. Arenberg Seltzer, President/CEO**

**Prepared By:**

**Financial Management:**

**Monti Larsen, Chief Operating Officer**

**Kathleen Campbell, Director of Finance**





**Children's Services Council**  
of Broward County  
Our Focus is Our Children.



**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Annual Comprehensive Financial Report  
For the Fiscal Year Ended September 30, 2023****TABLE OF CONTENTS****INTRODUCTORY SECTION**

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# INTRODUCTORY SECTION





**Children's Services Council**  
of Broward County  
Our Focus is Our Children.




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**CHILDREN'S SERVICES COUNCIL  
OF BROWARD COUNTY  
MEMBERS:**

*Dr. David H. Kenton, Chair  
Governor Appointee*

*Jeffrey S. Wood, Vice Chair  
Governor Appointee*

*Beam Furr, Secretary  
Broward County Commission*

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

*Honorable Michael Davis  
Judicial Member*

*Cathy Donnelly  
Governor Appointee*

*Dr. Peter B. Licata  
Superintendent  
Broward County Public Schools*

*Dr. Paula Thaqi  
Director  
Broward County Health Dept.*

*Dr. Allen Zeman  
Board Member  
Broward County Public Schools*

*Vacant  
Governor Appointee*

*Vacant  
Governor Appointee*

**STAFF**

*Cindy J. Arenberg Seltzer  
President/CEO*

**LEGAL COUNSEL**

*John Milledge*

*Garry Johnson*

March 21, 2024

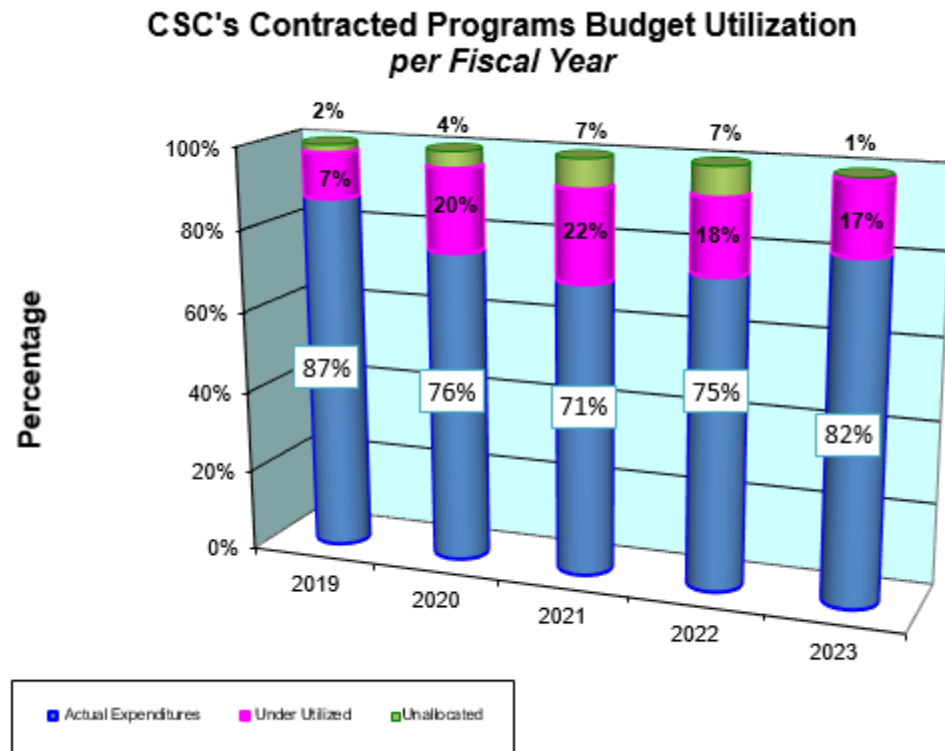
Members of the Children's Services Council  
of Broward County  
6600 West Commercial Boulevard  
Lauderhill, Florida 33319

Dear Council Members:

In the spirit of good stewardship, we respectfully submit the Annual Comprehensive Financial Report ("ACFR") of the Children's Services Council of Broward County ("the Council") or ("CSC") for the fiscal year that ended September 30, 2023. Florida Statutes require that our financial statements are prepared in conformance with United States Generally Accepted Accounting Principles ("GAAP") and that an external audit be performed by an independent certified public accounting firm in accordance with generally accepted auditing standards. This report is the primary method of reporting the Council's financial activities and satisfies those requirements.

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

Program utilization continued an upward trend as depicted in the graph below, inching closer to pre-pandemic levels. The Council's administrative functions continue to maintain a high level of productivity working in a hybrid environment as things begin to rebound to a pre-pandemic level.



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

The Council's financial statements are audited by Keefe McCullough, CPAs LLP, a firm of licensed certified public accountants competitively selected by the Council Members on June 16, 2022. This is the second year of a five-year term of the audit engagement since Council policy mandates a five-year audit firm rotation. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Council for the fiscal year ended September 30, 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 involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditors concluded that, based upon the audit, there was a reasonable basis for rendering an unmodified opinion that the Council's basic financial statements for fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the Council's basic financial statements includes part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. This federal requirement is the result of receiving federal grants as listed on the Schedule of Expenditures of Federal Awards. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the Council's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The Council had two federal grants for fiscal year ended September 30, 2023, the first one from the Federal Title IV E for Adoption and Foster Care Assistance through the Florida Department Children and Families; and the second grant is PROMISE which is federal funding through Broward College. The related reports are presented in the Compliance Section of this report.

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

### ***CSC Profile***

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

The eleven Member Council is comprised of five (5) individuals recommended by the Broward County Board of County Commissioners and appointed by the Governor and six (6) members appointed by virtue of the office or position they hold within the community. Council Members are responsible for setting policies and prioritizing and approving program and administrative funding. Each member



brings an understanding of the diverse and multi-cultural needs of the Broward community and a firm commitment to improving the welfare of children and their families. Currently, there are two vacant gubernatorial appointments bringing the total number of Council Members to nine.

The Council is not a component unit of any other governmental unit, nor does it meet the criteria to include any governmental organization as a component unit. The jurisdiction of the Council is contiguous with Broward County, the second most populated county in the state and one of the most diverse counties in Florida. Interesting facts from the US Census Bureau include Broward County is a minority-majority county with 34.8% White Non-Hispanic, 30.2% Black Non-Hispanic, 31% Hispanic or Latino and 4% Asian and other. There are an estimated 1.94 million people living in Broward County, of which 408,318 or 21% are children under 18 years old (source: Census 2020).

### ***Children's Strategic Plan Leadership***

The Council has established a robust leadership role within the child serving community and continues to build partnerships and children's programs that place an emphasis on prevention and meeting the needs of the community. These efforts are research-driven emphasizing evidence-based practices and performance outcomes. The Council's goals and objectives are very closely connected to the CSC-led Broward County Children's Strategic Plan, which provides a valuable framework for the community to foster public dialog on trends and benchmarks and to develop action plans for system improvements. There are over 30 different working committees and subcommittees comprised of representatives from all facets of the Broward child-serving community including parents and youth who meet both virtually and in-person throughout the year, with the support of Council staff, to fill gaps and lend their voice of lived experience to find more efficient ways to provide services.

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

The Council continually enhances its technology to improve tracking and analysis of various data elements including performance-based outcomes and community impact data which is used to assess the performance of funded programs. A web-enabled database maintains provider and client data and accounts for the reimbursement of expenditures both on a cost reimbursement basis, as well as by units of service. Additionally, the Council collaborates with state and local agencies on integrated data sharing initiatives. This comprehensive approach allows the Council to evaluate programs to ensure effectiveness.

***Budget and Fiscal Policy***

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

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

Accountability to the taxpayer, as well as to the children and families that are served, remains a high priority of the Council. All funded programs are monitored using a tri-fold approach: doctoral and master level researchers analyze outcome measures, program experts including staff with advanced degrees and off-duty teachers and doctoral students, review the quality of the services delivered including client satisfaction; and accountants monitor the administrative/financial functions. This tri-fold methodology has been very successful, ensuring accountability while providing useful information used to improve program design and to inform the training and technical assistance needs of funded providers.

In recognition of our fiduciary responsibility to Broward taxpayers and to ensure funded agencies are well-positioned to meet their service obligations, the Council continues to use a fiscal viability test to verify that agencies have the necessary administrative infrastructure to successfully manage CSC funding. Provisions for smaller maximum funding awards and Fiscal Agent partnership opportunities help smaller and niche organizations succeed in receiving Council funding while maintaining high standards for financial and administrative accountability.

***Long term Financial Planning***

Long-term financial planning for a government usually includes those aspects involved with capital budget, revenue, and expenditure forecasts. The Council is limited regarding capital expenditures, as the statute precludes incurring debt in any form. October 2009, the Council moved into its 31,500-square foot Silver LEED (Leadership in Energy and Environmental Design) headquarters building which was completely paid for through Reserves. The building is a central place for community meetings and training, with many of these gatherings being back in-person. Staff growth has outpaced the available office space but was able to successfully transition to a hybrid work environment which has alleviated the immediate need for additional space. Since the building is past its capacity, the Office Space Committee continues to monitor future office space needs. The Council is cognizant that the statute does not allow any type of debt, and as such, a Building Commitment using Fund Balance has been established with a current balance of \$6 million. There are no specific capital-related expenditures planned at this time.

***Economic Conditions and Outlook***

South Florida is a wonderful place to live, work and raise a family. Broward County is the second most populous county in Florida, the 17<sup>th</sup> most populous county in the US and one of the most diverse in the country. It offers 23 miles of beaches coupled with tropical climate, as well as a flourishing melting pot of cultural and multi-ethnic diversity (more than 35% of the County's population are foreign born compared to an average of about 14% nationwide) adds to the richness of the area.

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

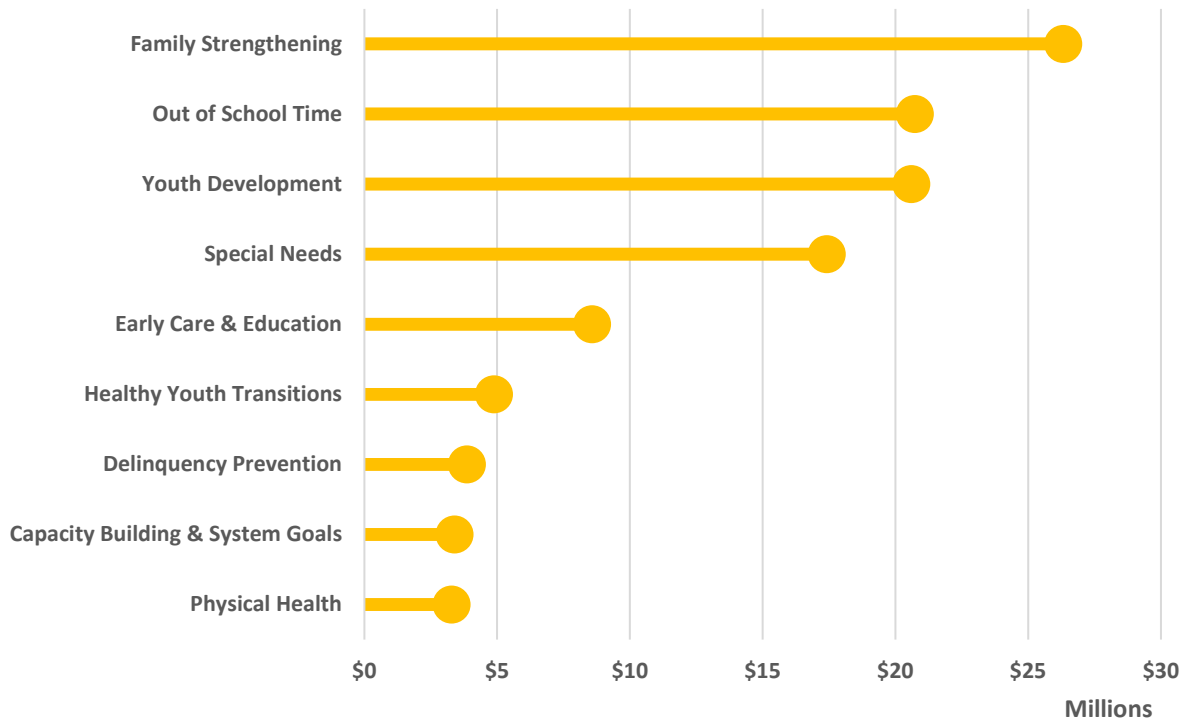
Broward County's financial indicators point towards a mixed, but stable economic environment. With the mild south Florida climate, no state income taxes, access to world class ports and 200 corporate, regional and international headquarters located in the region, many new businesses are relocating to the area. However, the economic recovery is not spread evenly through all sectors, and there remains a high demand for social service needs throughout the community. For instance, housing costs continue to remain high with studies showing that Broward County is one of the most cost-burdened housing markets in the nation. Cost-burden refers to the gap between wages and housing where 30% of income is spent on housing. People who spend more than 50% are considered "severely cost-burdened" (Habitat for Humanity, 2017). Housing and transportation costs have risen faster than wages creating a disparity and South Florida unfortunately continues to be one of the highest in the nation.

The Council continues to be aware of limited resources while striving to maximize services for Broward’s children and families and maintain a high level of accountability to the taxpayer. With those guiding principles, they carefully use a blend of fund balance and increased property values to maintain and grow needed programs. The millage rate decreased from the prior year, and the Council was able to take advantage of the increased property values to generate an additional revenue. Using the increased revenues, along with judiciously using fund balance, the program budget increased 5%.

Expenditures for Program Services increased this past year with the provider agencies drawing down 82% of their budget. The Council's services for children and their families continue to provide great community benefits while also providing an economic gain to the local economy by funding over 2,500 full-time equivalent positions in the social services area.

The chart below illustrates the Program Services Budget.

**CSC 2023 Funding By Program Goals**



**Major Initiatives**

This past year has been marked with change and hope by creating an environment where children can thrive, and families feel supported. For example, when a historic flood occurred in April 2023 dumping 25 inches of rain within a twelve-hour period, the Council, in partnership with other local partners, immediately budgeted and distributed funds to coordinate recovery efforts for affected families.

The annual budget allocated solely for children's services and programs totaled \$109 million, 5% more than the prior fiscal year, and serves approximately 100,000 children. Throughout this Annual Comprehensive Financial Report ("ACFR"), there are financial highlights with explanations and analysis for the various programs. For instance, on page 110 is a ten-year trend of programmatic expenditures by goal area and beginning on page 4 in the Management's Discussion and Analysis section there are specific programmatic highlights for some of the larger goal areas.

The Council engages in various community partnerships and system-building initiatives throughout the Community. Beginning in 2018, the Council has completed three community participatory action research projects to build connections between system professionals and youth and parents in a way that honors youth and parents' lived experience and informs policy and system improvements. Other significant community partnership and system-building highlights include the following:

- ◆ For the past thirteen years, the Council, together with the School District, local businesses, other organizations, and residents, supported a Back-to-School Community Extravaganza to provide students with backpacks stuffed with age-appropriate school supplies, uniforms, undergarments, and shoes. This year the Council and Partners held three events and distributed 10,000 backpacks with 3,000 uniforms and undergarments.

This was an extra special year as the international Maccabi Games, which are held every four years, was played in Broward County and the athletes donated 2,500 pairs of new shoes for kids to start school with. Other partners also donated 3,200 new and refurbished shoes. The recipients of the backpacks are students identified by School District Social Workers as being economically disadvantaged and often housing insecure. The new backpacks are filled with all types of grade appropriate school supplies and gently used books. The CSC cost of the event was \$293,000 plus \$38,900 cash donations and \$349,000 in-kind donated from the community.

- ◆ The Council provides backbone support and co-chairs along with other community partners a collaboration known as Broward Reads: The Campaign for Grade Level Reading. Using the Children's Strategic Plan infrastructure as noted on page iv, the Committee is comprised of dozens of active members from business, non-profit, philanthropic, over twenty municipalities and other governmental sectors. Broward has been recognized multiple times in the past few years as a Pacesetter Community by the National Campaign for Grade Level Reading. One of the signature events of the campaign is Broward Reads for the Record which is a national event created by JumpStart. This year's event took place October 26, 2023, with 1,200 volunteers reading to four- and five-year-old children who also received a copy of the book. The Council expended \$157,500 and, along with other partners, distributed over 40,000 English and Spanish books that were provided to children so that they could begin their own library collection. Feedback from volunteer readers and the schools was overwhelmingly positive.

- ◆ The Council partnered with the Ceclia Lipton Ferris Foundation along with Junior Achievement of South Florida World of Huizenga Center’s JA BizTown and JA Finance Park to sponsor simulated and interactive environments for students to learn about mental health wellness through various strategies and wellness activities. The Finance Park is a simulated park where every 8<sup>th</sup> grade student applies the personal finance concepts and career opportunities learned through an interactive curriculum in the classroom. Students will have the opportunity to explore careers in social services and government.
- ◆ Recognizing the hunger needs throughout the community, the Council works closely with various community partners to prevent childhood hunger and funds an array of hunger related programs procured through various ad hoc mechanisms. Last year the Council doubled their efforts in this area and procured hunger mitigation services for the next five years. For the fiscal year 2022/23, expenditures totaled over \$1 million for various food insecurity programs.
- ◆ The Council continued its efforts to create a seamless system of care for families with children with physical and developmental disabilities. The Special Needs Advisory Coalition ("SNAC"), as one of the most active committees of the Children's Strategic Plan, works to improve communication and access to services, as well as advocates for the Special Needs population to ensure that needed services are recognized both at the State and local level. Additional areas of focus include meeting the racial/ethnic needs of the Special Needs population, strengthening parent advocacy, and developing a birth to age twenty-two Transition Roadmap service delivery continuum model.
- ◆ Over the past few years, the Council funded Asset Based Community Development (ABCD) pilots in three cities in Broward County. This model provides training and coaching on the core authentic community engagement strategies required to implement an ABCD project; organizes and then competitively selects residents living within the most “at-promise” areas of the three cities to serve on neighborhood Civic Design Teams (CDT); coaches the CDT to implement community listening sessions; facilitates the CDT asset mapping exercise based upon their findings from the community listening campaign; and, guides the CDT funding for small community projects created by residents to build upon the assets in their neighborhoods. This past year, these small neighborhood grants funded various intergenerational activities, youth-led neighborhood clean-ups, anti-bullying campaigns, literacy events, and chess tournaments. Feedback from municipal elected officials and the Civic Design Teams are overwhelmingly positive and they all are making a difference in their communities.
- ◆ Recognizing it is necessary for the non-profit community to be strong in order to provide quality programming to our children and families, the Council leads an Agency Capacity Building Committee. The committee is comprised of key community funders and service providers in an open dialog on concerns and issues related to funding and building

capacity for emerging, niche, and community-based organizations serving children and their families. Resources are then provided to help address those needs. There are 1,200 members representing over 130 organizations connected to workshops, panel discussions, training, and special events.

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

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Children's Services Council of Broward for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the twenty-first consecutive year that the Council was eligible and received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### ***Acknowledgments***

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

Respectfully Submitted,

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Cindy J. Arenberg Seltzer  
President/CEO

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Monti Larsen  
Chief Operating Officer

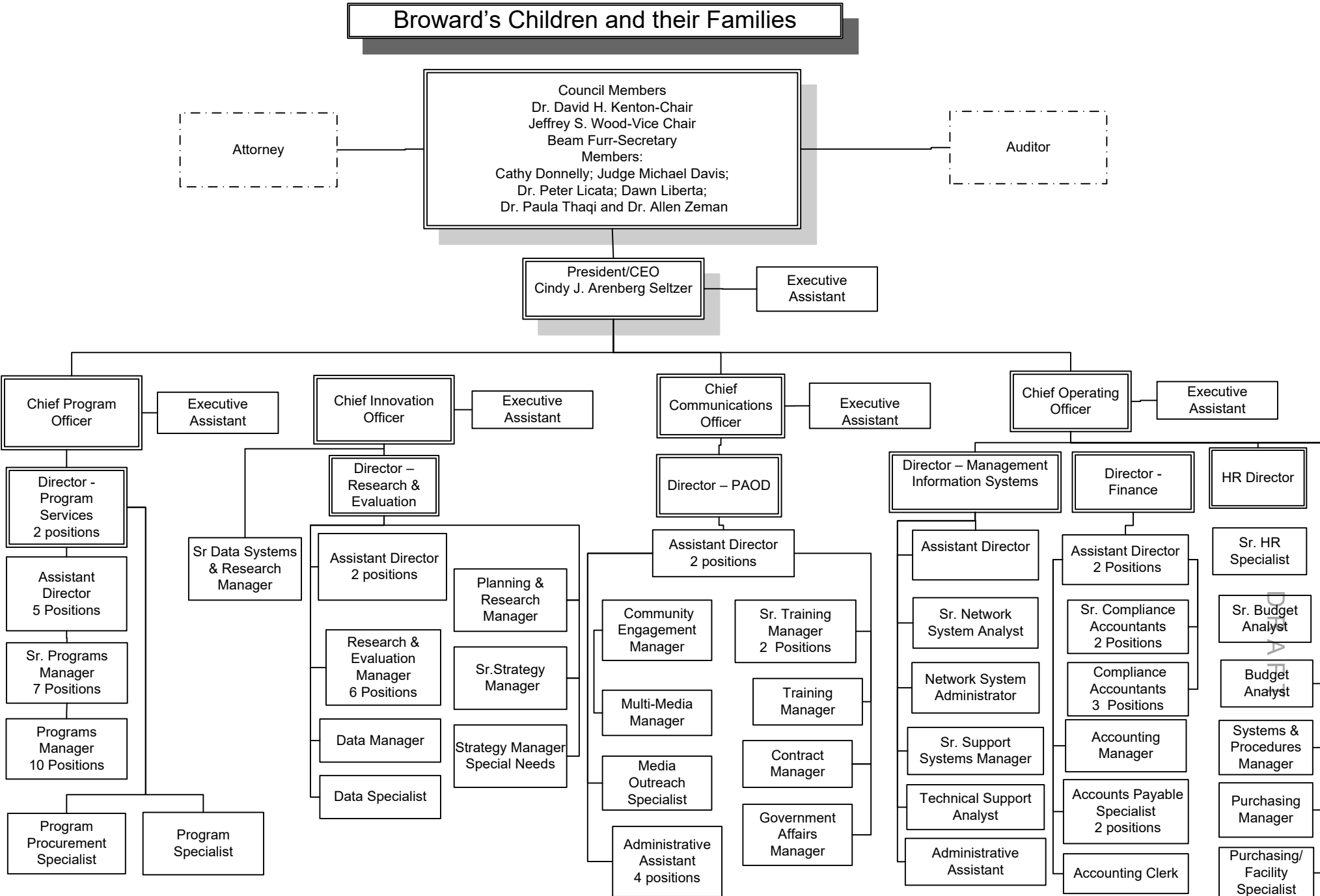
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Kathleen Campbell  
Director of Finance

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

## **Organizational Chart and List of Principal Officials**

### **Fiscal Year 2022-2023**







Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

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

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# FINANCIAL SECTION





**Children's Services Council**  
of Broward County  
Our Focus is Our Children.

## INDEPENDENT AUDITOR'S REPORT

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

***Opinions***

We have audited the accompanying financial statements of the governmental activities, and the major fund, of the Children's Services Council of Broward County (the "Council"), as of and for the 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund, of the Council, as of September 30, 2023, and the respective changes in financial position, for the 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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.

***Auditor's 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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, Budgetary Comparison Schedule, Schedules of Proportionate Share of Net Pension Liabilities and Contributions, and the Schedule of Changes in Total OPEB Liability and Related Ratios on pages XX-XX and XX-XX 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 accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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 Schedule of Expenditures of Federal Awards is 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 auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 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 the Council's internal control over financial reporting and compliance.

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
March 21, 2024

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
Fiscal Year Ended September 30, 2023**

Our discussion and analysis of the Children's Services Council of Broward County ("the Council") or ("CSC") financial performance provides an overview of the Council's financial activities for the fiscal year ending September 30, 2023. Please read it in conjunction with the transmittal letter on page i and the Council's financial statements, which begin on page 28.

**FINANCIAL HIGHLIGHTS**

Fiscal year ending September 30, 2023, marks the Council's twenty-second year of funding services to support children and families through programs emphasizing evidence-based prevention strategies. This report highlights how the Council provides leadership, advocacy, and resources working with community partners and investing in evidence-based interventions and services for children and families throughout Broward County. About 175 programs are delivered by about 90 community organizations that share the Council's mission/vision, commitment to children, and expectations for excellence.

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

- ◆ Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of fiscal year 2022/23 by \$76.1 million (total net position). Of this amount, \$69.7 million represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and providers.
- ◆ The change in the Council's net position decreased by \$3.3 million from last fiscal year for a total of \$5,699,328, but this is not perceived as either a negative or positive development. Property tax revenues increased six percent or \$6.1 million as the Council took partial advantage of the higher property values while simultaneously decreasing the millage rate. Expenses for program services increased considerably by 15% of \$12.9 million after a double-digit increase in the prior year as well. These increased expenses demonstrate that Providers are "back to normal" and can deliver services at levels similar to before the pandemic. The pandemic and its aftermath made it difficult for

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
Fiscal Year Ended September 30, 2023**

Providers to see clients in person and children were not able to attend after-school programs. The results of how programmatic services have resumed to delivering services are highlighted throughout this report.

- ◆ At the close of the fiscal year, the Council's governmental funds reported a fund balance of \$79.3 million, an increase of 11.3% or \$8,064,168 from the prior year. The notable increase is due to increasing the budget by five percent in anticipation of increased need for services; however, due to staffing issues many Providers were unable to fully draw down their contracts. Of this \$79.3 million fund balance, \$52.9 million is available for spending at the Council's discretion (*unassigned fund balance*). However, this Unassigned Fund Balance includes \$21.5 million that is maintained as minimum fund balance following best practice policy per the GFOA. Last fiscal year, the Council approved committing \$6 million towards the establishment of a Building Fund to prepare for future growth. The *assigned fund balance* is \$20.2 million, which will be used for budget priorities in FY 23/24.
- ◆ Levied tax revenue generated through the TRIM process totaled \$105.4 million, which was an increase of \$6.1 million or 6% from the prior year. This increase was attributable to higher property values throughout the County even though the Council slightly decreased the millage rate from the prior year. The Council remains cautious about rising property values and is careful to budget accordingly. The favorable economic conditions that led to increased tax revenues help provide additional community resources for those areas that struggle economically.
- ◆ Operating Budget comparisons between Fiscal Year 21/22 and Fiscal Year 22/23, there was \$5.8 million or 4.8% increase. This budgetary increase was primarily due to the increase of tax revenues.
- ◆ The Council appropriated \$19.1 million of fund balance and budget carry-forward in Fiscal Year 22/23 to help offset tax increases while maintaining or expanding much-needed programmatic services. The Council has historically used a portion of fund balance for this purpose. With this budget increase,



**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
Fiscal Year Ended September 30, 2023**

many programmatic goal areas were increased based on specific needs identified with input from the county-wide Children's Strategic Plan Committees. All programs funded by the Council remain evidence-informed and generally demonstrate strong performance outcomes. Program service delivery and related performance outcomes provide comprehensive and objective evidence for determining program effectiveness while providing data for comparison with local, state, and national indicators.

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

- Literacy and early education services include various literacy initiatives, subsidized childcare for under-served "working poor" and for the immediate placement for children deemed especially vulnerable, and finally, Positive Behavioral Interventions and Supports (PBIS) to improve the quality of childcare as well as support childcare staff to manage challenging child behaviors.

Expenditures for the literacy programs noted above totaled \$892,700 an increase of \$261,400 or 41% from the prior year, which was primarily due to the timing of purchasing the books for the annual Broward Reads for the Record. The Transmittal Letter highlighted this exciting event in more detail.

Expenditures for the subsidized childcare and PBIS programs totaled \$7.5 million, which was a decrease of \$(498,100) from the prior year. The Council temporarily reduced funding for this goal due to an increase in available federal funding for subsidized childcare and less need for Council funding. This additional federal funding for childcare centers is winding down as the pandemic wanes, and it is anticipated that the Council will need to increase the budget allocation in the upcoming year.

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
Fiscal Year Ended September 30, 2023**

Outcomes for Subsidized Childcare demonstrate 100% of parents were satisfied with services, and 99% of clients report a better understanding of childcare options and choosing a quality childcare provider.

- Out of school programs for economically disadvantaged elementary age children, continues to be one of the larger program areas representing 18.9% or \$20.7 million of the overall program budget. These out-of-school and summer programs serve low income, typically developing children attending priority Title 1 schools with 86% or higher free or reduced lunch.

Since these after-school programs are primarily school-based, they were the most adversely affected over the pandemic years and the slowest to return to services. As services began to ramp up, enrollment remained a challenge due to staffing shortages. Last year, the Council provided additional funds for Provider staff pay increases; however, attracting and retaining staff continues to be a significant problem. Expenditures substantially increased by 29.24% or \$3.5 million this fiscal year.

Performance outcomes for these impressive out-of-school are reflective of the quality services. To illustrate, 92% of children improved reading and language development; and 94% of children improved homework completion.

Also, the Council provides out-of-school time programs for children with Special Needs including those with special physical, developmental, and behavioral conditions. Typically, the programs offer a safe, positive environment after school and during the summer designed to enhance academic achievement, support social, developmental, and physical activities and provide educational field trips and cultural arts opportunities, but these programs also suffered the same issues from the pandemic, and now are also experiencing staff retention issues. The Special Needs programs provide flexible and

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
Fiscal Year Ended September 30, 2023**

individualized staff-to-child ratios and promote effective interaction with each child. Expenditures for these programs for FY23 totaled \$10.3 million, a 20.4% or \$1.7 million increase from the prior year.

Performance Outcomes include 92% of children improved reading and language development, and 87% of children improved academic performance and/or skills.

- The Council funds various youth development programs which were procured through the Positive Youth Development (“PYD”) RFP and encompassed multiple initiatives focusing on after-school programs for youth in middle and high school, along with specialized programs for those hard-to-reach middle school youth and, finally, youth employment and independent living skills for youth with special needs. School-based programs for older youth were also affected over the past few years; however, these programs were faster to rebound with higher enrollments and youth engagement.

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

- ◆ Middle school programs for youth known as Youth FORCE, expanded under the latest PYD procurement to reach those youth transitioning from middle school to high school that are in jeopardy of dropping out. The expansion included adding a success coach for every 35 students enrolled in the program. Services in this goal area target high-risk middle school students, including youth with behavioral health and other special needs. This is a challenging age group to keep engaged and these middle school programs do an excellent job of creating environments where youth can learn to make positive choices and develop skills that will serve them for life. These year-round programs are located at the highest-need middle schools as identified by the School District based on factors such as poverty, school grades, disciplinary actions, delinquency referral rates, and unexcused absenteeism. Expenditures for this fiscal year totaled \$8.4 million, a 21.3% increase or \$1.5 million from last fiscal

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
Fiscal Year Ended September 30, 2023**

year due to increased enrollment and retention of students. Outcomes reflect 97% of youth demonstrated gains or low risk in Youth Development Competencies, and 94% of youth did not experience bullying.

- ◆ The high-school after-school programs known as LEAP High provide services at low performing high schools and include success coaches; structured academic support services that empower students to meet or exceed state standards and graduation rates; opportunities for comprehensive educational outreach; cultural, recreational and enrichment activities to increase attendance, reduce drug/alcohol abuse, and teen violence. Expenditures for this fiscal year totaled \$4.4 million, a 43.3% increase or \$1.3 million from last fiscal year due to improved attendance and retention of students. Outcomes reflect 82% of youth improved their reading grade, and 74% of youth improved day school attendance.
- ◆ Innovative programs that form a continuum of care for high school teens with physical and developmental disabilities known as Supported Training and Employment Program ("STEP"), provide year-round support for youth to learn independence, social skills, daily living skills and provide the chance to explore career opportunities through hands-on learning experiences. Once skills are mastered, youth are given the opportunity to demonstrate those new skills in various work environments. For the majority of youth, it is the first time they experienced the "workplace world" and an opportunity for independence. For the first time, many parents see potential for independence for their children and employers see the benefits for both the youth and business co-workers. Expenditures for this fiscal year totaled \$2.8 million, an 18.7% increase or \$440,000 from last fiscal year due to higher enrollment and retention of students. Outcomes reflect 83% of participating youth demonstrated improvement in employability skills, and 64% of youth

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
Fiscal Year Ended September 30, 2023**

who are employed or pursuing post-secondary education six months post-program completion.

- ◆ The Summer Youth Employment Program (“SYEP”), typically provides young people 16-18 years old who participate in CSC High School programming, are economically disadvantaged or aging out of foster care the opportunity to improve their workplace skills with real job experience, earning slightly higher than minimum wage. It is often difficult for youth to find meaningful summer employment opportunities regardless of economic conditions. This year the Council substantially increased its investment in this area. This allowed 916 youth (an additional 333 over the previous year) to complete the program. Expenditures totaled \$3.7 million, a 48.3% increase or \$1.2 million increase. Program components include soft-skills training, a streamlined job placement process that considers job preference, proximity to the work site, transportation, work hours, and background requirements in the job placement process. 5% of youth were satisfied with their work experience, and 96% employers indicated high satisfaction with the program.
- The Council funds two additional significant youth programs: 1) New DAY - diverts young offenders with law violations from the juvenile justice system and teaches a “life lesson” rather than be stigmatized by the delinquency system—a mark which carries into adulthood; and 2) Youth Transitions (“HYT”) - helps youth aging out of foster care, LGBTQ teens, and youth with delinquency involvement to successfully transition into adulthood. The budget for New DAY and HYT programs was \$8.7 million and represents 8% of the overall programmatic budget. New DAY providers offer quality services which include Restorative Justice Conferencing, a practice that brings together the wrongdoer, the impacted party, community representatives and other impacted directly or indirectly by the offense to foster healing and address the harm caused by the offense, as well as community service and therapy if

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
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appropriate. Expenditures increased \$617,600 or 23% from the prior fiscal year. Total expenditures for New DAY were \$3.3 million. On average, 92% of youth had no re-offenses 12 months after program completion.

The HYT Programs provide quality service delivery with 97% of youth had no new law violations during the program. Expenditures for HYT increased from the prior year by 13.6% or \$512,000 from the prior year for total expenditures of \$4.3 million.

- The Council's steadfast commitment for Family Support programs is demonstrated by their long-term funding commitment to this goal. The budget for the multiple Family Support programs comprises 24% of the programmatic budget for a total of \$26.3 million annually.

Within the goal, programmatic funding includes Family Support programs which focus on prevention services for at-risk and high-risk families who receive intensive in-home family therapy, parent training, and case management; Kinship programs provide relative caregiver support and other support services to prevent out-of-home placements. Additionally, this goal supports MOMS (Mothers Overcoming Maternal Stress) programs designed to decrease pre/post-natal depression, promote maternal/child bonding, and other maternal/child education supports including safe sleep. Expenditures for Family Strengthening programs totaled \$9.8 million, Kinship was \$1.2 million, and MOMS expended \$2.4 million.

Another important area supported in this goal includes HEAL Trauma Programs which were co-created and implemented following extensive conversations with community members residing in historically underserved communities that have experienced high levels of gun violence. These programs use a Community Mental Health Worker model to develop trust and promote access to a wide array of services while helping to build upon existing community resiliency. HEAL Trauma is in its second year of implementation with \$2.8 million of

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
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expenditures.

The Council works closely with a network of community partners involved in the child welfare system to support programs that recruit adoptive families, provide legal advocacy and support for children in the dependency and delinquency system. These legal and adoption services were eligible for Federal Title IV-E reimbursement and received \$389,059 in reimbursement for the fiscal year.

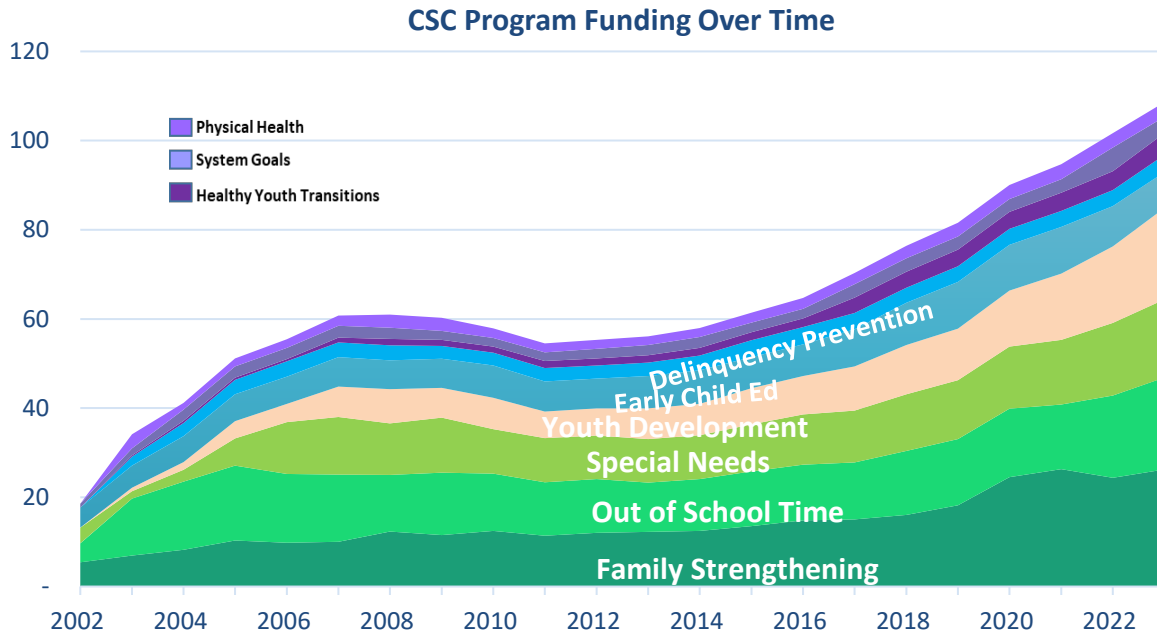
Data for many of the performance measures were analyzed. A sampling of Performance measures for these programs continue to demonstrate strong results: 87% of families improved family functioning; 97% of families did not require foster or institutional care while receiving Kinship services; and 92% of mothers demonstrated acceptable level or improvement of attachment/bonding with their infant.

- The Council released several program related procurement documents this past fiscal year including Request for Proposals (“RFP”) and Request for Qualifications (“RFQ”) to continue programmatic services. New procurements provide opportunities for new elements or evidence-based practices identified through “lessons learned” approach to continuous quality improvement. The procurements included: Family Supports which includes Family Strengthening, Kinship and Kinship Legal, MOMS and Supervised Visitation (Supervised Visitation was a new line of service that was added at the request of the Unified Family Court). The Research and Planning Department released two Asset Based Community Development (ABCD) related Consulting procurements. Public Affairs procurements include Capacity Building Mini-Grant Applications, Volunteer Income Tax Assistance (VITA) Services, and Trainer Cadre application. Non-programmatic procurements included Banking Services and Facility Management.

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**

**Management's Discussion and Analysis  
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The chart below depicts the Program Budget by goal since 2002.



**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position (on pages 28 and 29) and the Statement of Activities (on page 31) provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. Fund financial statements begin on page 32. For governmental activities, these statements depict how services were financed in the short term and what remains for future spending. Fund financial statements also report operations in more detail by providing information about the Council's expenditures. The notes to the financial statements (on pages 37 – 72) provide information that is essential to a full understanding of data provided in the government-wide and fund financial statements and is required by the United States Generally Accepted Accounting Principles ("GAAP"). This report also contains other required supplementary information in addition to the basic financial statements starting on page 74. The Council remains current in its implementation of all GASB Statements.



**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
Fiscal Year Ended September 30, 2023****OVERVIEW OF THE FINANCIAL STATEMENTS*****Government-wide Financial Statements***

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

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

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

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

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

***Fund Financial Statements***

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

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

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

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
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While some funds are required to be established by State law, the Council only used the General Fund this fiscal year. A Special Revenue Fund is not needed as defined by the Governmental Accounting Standards Board ("GASB"). All governments are required to present consistent fund balance information which will improve financial reporting. More information on fund balance categories and the respective amounts can be found in the Notes to the Financial Statements on page 72.

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

***Notes to the Financial Statements***

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 37- 72 of this report.

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. The individual fund statements with budget to actual comparisons, other postemployment benefits plan information and pension plan information are found on pages 74 to 85 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Council's twenty-second year of generating tax revenue, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$76.1 million at the close of the fiscal year.

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
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As property values fluctuate and the Council's ability to increase its millage rate is constrained by State statute, it is anticipated that net position will decrease over time. This is not an indication of the Council's deteriorating financial condition.

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

**CSC's Summary Net Position  
As of September 30,**

|                                  | <b>FY 2023</b>       | <b>FY 2022</b>       | <b>Variance</b>     |
|----------------------------------|----------------------|----------------------|---------------------|
| Current Assets                   | \$ 88,623,212        | \$ 82,271,553        | \$ 6,351,659        |
| Capital Assets                   | 6,618,320            | 6,853,529            | (235,209)           |
| <b>Total Assets</b>              | <b>95,241,532</b>    | <b>89,125,082</b>    | <b>6,116,450</b>    |
| Deferred Outflows of Resources   | 2,561,506            | 3,010,331            | (448,825)           |
| Current Liabilities              | 9,585,969            | 11,215,895           | (1,629,926)         |
| Noncurrent Liabilities           | 11,703,252           | 10,112,397           | 1,590,855           |
| <b>Total Liabilities</b>         | <b>21,289,221</b>    | <b>21,328,292</b>    | <b>(39,071)</b>     |
| Deferred Inflows of Resources    | 431,026              | 423,658              | 7,368               |
| Net Position:                    |                      |                      |                     |
| Net Investment in Capital Assets | 6,337,441            | 6,811,259            | (473,818)           |
| Unrestricted                     | 69,745,350           | 63,572,204           | 6,173,146           |
| <b>Total Net Position</b>        | <b>\$ 76,082,791</b> | <b>\$ 70,383,463</b> | <b>\$ 5,699,328</b> |

- ◆ The overall net position of the Council increased for fiscal year 2023 by 8.1%. The net increase of \$5,699,328, is attributable to primarily underutilization of the programs.
- ◆ The change in current assets from Fiscal Year 2022 to Fiscal Year 2023 totaled \$6,351,659. This increase is due to higher cash and investment balances.
- ◆ Net Investment in Capital Assets decreased 7% from the prior year in the amount of (\$473,818) and is the result a thorough analysis of all the assets and writing off old items that should not have been capitalized per the new GASB Statement 96 standards. Depreciation of various capital assets is also included in this category.

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
Fiscal Year Ended September 30, 2023**

Once it is determined that the capital assets are no longer useful, they are donated to a local organization that recycles/refurbishes electronic equipment to help address the digital divide.

Total depreciation/amortization expense was \$698,177, of which \$207,618 was building related, \$210,025 was for software subscription assets, \$142,559 was for intangible software enhancements, \$126,070 was for computer hardware/software and furniture and equipment, and \$11,905 for leased equipment.

- ◆ Deferred outflows of resources represent a consumption of net position that is applicable to a future period reporting the FRS and HIS pension liabilities and related components with other funds within the state. The net changes from this year and last could be attributable to additional staff and higher pension costs. At fiscal year end, the Council recognizes its allocated proportional share of the state's deferred outflows of resources related to applicable pensions, as determined by the Florida Department of Financial Services, Statewide Financial Reporting Section.
- ◆ The current liabilities category is comprised primarily of accounts payable, which decreased by (\$1,629,926) and is chiefly due to the timing of provider invoices for September services. The noncurrent liabilities category reflects an increase of \$1,590,855 which is primarily due to recognizing the proportionate share of the Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) liability, the net OPEB liability for eligible retirees for health insurance "implicit subsidy" premiums that may be paid in the future, as well as compensated absences. The FRS and HIS liability increased based on increased benefits and subsidies to retirees approved by the Legislature. The implementation of GASB 87 and GASB 96 also contribute to the net changes.
- ◆ Deferred inflows of resources represent an acquisition of net position by the division that is applicable to a future reporting period. This amount increased \$7,368 this fiscal year. The Council shares the reported FRS and HIS pension liabilities and related components with other funds within the state. As noted above, market conditions significantly affected the deferred outflows and inflows of the pension and OPEB plans reflected throughout this report. At fiscal year end, the Council

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
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recognizes its allocated share of the state's deferred inflows of resources related to applicable pensions, as determined by the Florida Department of Financial Services, Statewide Financial Reporting Section.

- ◆ Unrestricted net position increased by 9.7% or \$6,173,146 from the prior year primarily because of cumulative unallocated budget and provider underutilization. Included in Unrestricted is \$6 million reserve in which the Council approved an action to set-aside funds for the exploration of a future building. Because the Council is prohibited from incurring debt of any type, these resolutions establish setting aside one-time funds for future growth.
- ◆ With respect to debt, the Council is prohibited, per Florida State Statute, from issuing any type of debt instrument including the issuance of bonds of any nature.

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

| <b>CSC's Summary Changes in Statement of Activities<br/>Fiscal Years Ended September 30,</b> |                      |                      |                     |
|--|----------------------|----------------------|---------------------|
|  | <b>FY 2023</b>       | <b>FY 2022</b>       | <b>Variance</b>     |
| Revenues:  |                      |                      |                     |
| Property Taxes   | \$ 105,403,582       | \$ 99,302,231        | \$ 6,101,351        |
| Investment Earnings/(Loss)   | 5,130,695            | (10,338)             | 5,141,033           |
| Other  | 2,604,839            | 3,284,416            | (679,577)           |
| <b>Total Revenues</b>  | <b>113,139,116</b>   | <b>102,576,309</b>   | <b>10,562,807</b>   |
| Expenses:  |                      |                      |                     |
| Program Services & Support   | 98,602,685           | 85,661,053           | 12,941,632          |
| General Administration   | 5,188,354            | 4,622,517            | 565,837             |
| Community Redevelopment<br>and Tax Collector Fees  | 3,648,749            | 3,272,531            | 376,218             |
| <b>Total Expenses</b>  | <b>107,439,788</b>   | <b>93,556,101</b>    | <b>13,883,687</b>   |
| Increase (Decrease) Net Position   | 5,699,328            | 9,020,208            | (3,320,880)         |
| Net Position - Beginning Balance   | 70,383,463           | 61,363,255           | 9,020,208           |
| Net Position - End of Year   | <u>\$ 76,082,791</u> | <u>\$ 70,383,463</u> | <u>\$ 5,699,328</u> |

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
Fiscal Year Ended September 30, 2023**

- ◆ **Property taxes** are the Council's primary source of revenue. For fiscal year 2023, property tax revenue significantly increased by 6.1% or \$6,101,351 from the prior year. The Council reduced the millage rate for FY23 taking partial advantage of the increased property values. The millage rate for FY23 was .4500 with an authorization to levy up to .5 mills. However, Council Members remain quite concerned about millage rate increases and its effect on taxpayers. The Council continues to utilize fund balance to provide services that meet the identified needs for Broward County's children and families.
- ◆ **Investment earnings/(Loss)** as of September 30, 2023, dramatically increased totaling \$5,130,695 due to improved market conditions and significantly higher interest rates at the end of the fiscal year and GASB requirements to recognize gains and losses on investments as of a certain date. For the longer-term Managed fund, the underlying securities are not matured, and it is anticipated that the total may increase and decrease over time, which is why there was a loss in the prior year and a significant gain for the current fiscal year.
- ◆ **Other revenue** includes grants, local foundations, training registration and miscellaneous revenue and for the current year equals \$2,604,839, which reflects an decrease from the prior year. The 20.7% decrease of (\$679,577) primarily stems from the ending of a federal grant.

Within this classification includes \$492,900 from Federal Title IV-E Foster Care, Legal Representation, and other Adoption Programs through an agreement with State of Florida Department of Children and Families. This reflected an 8.8% decrease of \$47,500 from the prior year due to lower reimbursement rates.

Local Foundations and Grants generated revenue of \$1,543,150, a slight 2.6% increase of \$38,900 from the prior year. This increase stemmed from a partnership with the DeLuca Foundation funding staff increases of the Youth FORCE middle school programs.

Additionally, local collaborative events such as the Back-to-School Extravaganza, and Broward Reads program collected revenue of \$163,000, a considerable decrease

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
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of \$112,900 or 41% from the prior year. With multiple community events coming back to in-person events, the local partners were compelled to contribute towards other events and were not able to donate for the premiere Council initiatives. However, the Council made up the difference and both events were very successful.

Training revenues increased by \$300 for a total of \$9,300 for this fiscal year. The Council is able to meet the training needs of the community by offering a mix of in-person and virtually with reduced fees to encourage participation.

- ◆ **Expenses for Program Services and Support**, which includes related program administration, totaled \$98.6 million in fiscal year 2023; an increase of \$12.9 million or 15.1%. This notable increase continues the upward trend of programmatic expenses slightly under pre-pandemic levels. The need for social services is high as children and families adjust to these extraordinary times. Thus, the budget for program services increased \$5.5 million or 5% from the prior fiscal year, and expenses, as noted above, increased along those same trends. The graph on the following page illustrates that, 91.8% of total expenses support various programs and support services for children and families of Broward County.
- ◆ **Expenses for General Administration** totaled \$5.2 million in fiscal year 2023, an increase of \$565,800 or 12.2% from fiscal year 2022. This increase is the result of more staff and higher salary and benefits including increased FRS costs from the proportional share of the Florida Retirement System plan (see note 6), which resulted in an increase of the pension and OPEB expenses. Additionally, while salaries and benefits increased, most of all the other general administrative expenses such as materials and supplies, building expenses, travel, etc. also increased. General administrative costs represent 4.8% of the overall expenses, which demonstrates the Council's fiscal prudence, a very resourceful staff and effective use of technology. The Council's focus continues to be providing services throughout the community with minimal administration costs.
- ◆ **Community Redevelopment and Tax Collector fees** for fiscal year 2023 the total for these two functions increased by \$376,200 for a total of \$3.6 million. The Community Redevelopment (CRA) fees had the majority, \$341,800, of this increase. This was due



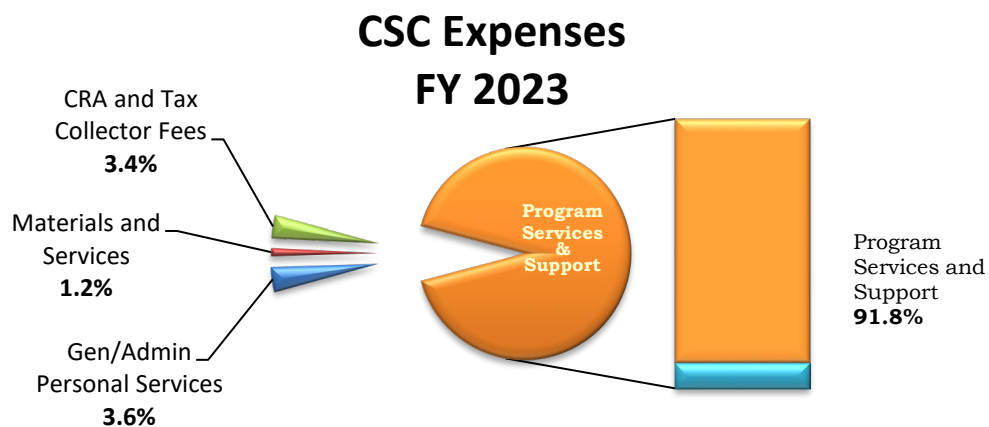
**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**

**Management's Discussion and Analysis  
Fiscal Year Ended September 30, 2023**

to the increase of property values within the CRA districts even though the Council decreased the millage rate from the prior year. The Tax Collector fees are based on the operating budget of the Property Appraisers Office and are allocated among the taxing districts. These fees slightly increased \$34,400 from the prior year.

The Community Redevelopment Agency tax increment fees are tied to the increased incremental property tax values in specific areas, as well as the Council's established millage rate. Generally, throughout the County, property values within the CRA districts continue to increase. In those districts wherein, the Council and the CRA have formed a partnership, \$1,433,428 CRA fees were used for programs and services for children in lieu of fees. These successful collaborations between the Council and many of the CRA Districts have been able to place programs and services for children in these targeted communities.

The illustration below depicts the total CSC expenses, by percentage, for fiscal year ended September 30, 2023.



Analysis below separately considers the operations of governmental activities.

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
Fiscal Year Ended September 30, 2023****FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUND**

As the Council completed its twenty-second year of operations, the governmental funds (as presented in the balance sheet on page 32) reported a total fund balance of \$79.3 million. The fund balance categories are fully described in the Notes to the Financial Statements on page 42.

- ◆ **Fund balance** increased a total of \$8,064,168 or 11.3% from the prior year. As noted throughout this report, the primary reason for the increase in Fund Balance stemmed from underutilization of the provider contracts, coupled with additional appropriations for programs predominantly in youth development, family support, special needs, and out-of-school time goal areas, which in turn contributed to an increase in fund balance. Additionally, fund balance included \$179,981 of Non-Spendable funds for prepaid items in FY 2023 and \$6 million Committed to future office space.

Given this era of ongoing needs within the community and the limitations on raising property taxes, the Council assigned a portion of fund balance to expand services for children and their families. Accordingly, the Council appropriated \$20 million of fund balance and budget carry-forward for next FY 23/24. Within Unassigned Fund Balance, the Council voted to maintain a minimum balance of 17% of budgeted operating expenditures or \$21,457,084 to manage cash inflows and outflows until tax revenue is received since the Council is prohibited of issuing short-term debt instruments such as RAN (Revenue Anticipation Notes) or TAN (Tax Anticipation Notes). This minimum amount is based on best practices as outlined by the Government Finance Officers Association (GFOA). This leaves a remaining Unassigned Fund Balance of \$31,407,782.

- ◆ **Budget amendments** are prepared over the course of the year allocating appropriations from one line item to another to prevent budget overruns. Actual charges (expenditures) to appropriations (budget) were \$22.8 million below the final budget amounts.
- ◆ **Budget variances** - The most significant positive variance (\$20.2 million) occurred in Program Services reflected in the Council's General Fund Schedule of Revenues,

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
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Expenditures, and Changes in Fund Balance – Budget to Actual found on pages 74-75. This variance is due to several factors related to programs and services as highlighted below:

- The past three years, providers were able to invoice for services using cost-reimbursement to ensure that they could cover their staff costs since the numbers served could be lower than normal. For fiscal year 22/23 now that in-person services have resumed, the Council's providers returned invoicing based on "units of service" as this method of invoicing allows the Council to only pay for services provided. Consequently, if a provider did not provide all the services that were anticipated, the contract would be under-utilized.

Total utilization of the programs increased 7% for a total of 82% from last year's 75%, as compared with an average of 74% over the past three years. The total budget variance affected by unallocated and underutilization of the contracts is 17% or \$20.1 million. See the chart in the Transmittal Letter on page ii for a utilization visualization of all the programs.

- The budget for Fiscal Year 2023 included \$664,850 that was not allocated to any specific program and could be appropriated in the subsequent fiscal year. Because various local economic conditions may arise at any time, the Council purposefully left these funds unallocated to have flexibility in meeting unexpected needs of the community.
- The budget variance for Program Support was \$1,075,621 of which 89% was salary/benefit lapse. General Administration budget variances totaled \$1,115,201 of which \$303,732 or 27.2% was related to salary/benefit lapse. Budget variances for facilities management add to building maintenance reserves. Additionally, \$401,171 of budget variance in Capital Outlay will be carried into next fiscal year for Capital reserves as needed for larger projects.

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
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Alternatively, resources available for appropriation (revenues) were \$4,393,419 over the final budgeted amount. This variance is primarily the result of higher than anticipated interest revenue. Appropriations for interest earnings are minimally budgeted due to the volatility of the markets.

**OTHER ASSETS and OTHER OBLIGATIONS**

At the end of Fiscal Year 2023 the Council had \$6.6 million invested in capital assets including land, building and related infrastructure, as well as computer hardware and software. More detailed information about the Council's policies concerning capital assets is presented in Notes 1 and 5 of the Notes to the Financial Statements.

As presented in Note 8 of the Notes to the Financial Statements, the Council purchases commercial insurance for property and casualty claims. Other obligations include accrued vacation pay and sick leave, proportionate share of pension costs and the net OPEB liability. More detailed information about the Council's long-term liabilities is presented in Notes 6, 7 and 11 of the Notes to the Financial Statements.

**ECONOMIC FACTORS, NEXT YEAR'S BUDGET and TAX RATES**

The Council Members considered many factors when setting the subsequent fiscal-year's budget and tax rates during their May 2023 Budget Retreat. Council Members are always very cautious in setting the tax rate, weighing their desire to meet the expanding need for services against property values and voter concern about property tax rates. The Council is also mindful of the present fund balance, the .5 mill maximum tax levy and pressures within the local economy.

Broward County is the second most populous county in the state and comprises 31 different municipalities within an urban/suburban setting. Broward County's economic picture is robust; albeit uneven for certain sectors. Broward County unemployment rate was 3%, a slight increase from 2.6% in September 2022, down from 4.4% in September 2021.

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Management's Discussion and Analysis  
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Even with the lower unemployment rates, many families continue to exist in a state of persistent financial insecurity and are one financial emergency away from poverty, cited a recent study conducted by the Corporation for Enterprise Development. Broward continues to have a high percentage of households, 49.7%, that are considered “cost-burdened” (paying in excess of 30% of their incomes on housing costs) due to the high cost of living, low paying jobs, income stagnation, etc. Broward County is ranks near last in Florida’s 67 counties in affordable available housing. This includes employed people like teachers, office workers, service industry and retail employees...the backbone of the local economy.

The high housing costs are unbearable for many residents. Home values continued to trend upwards with a notable 12.7% increase over the last year. The median price for a single-family home in Broward County is \$425,000, an increase of 6.25% since last year. Broward County continues to be one of the least affordable places to live in the country.

At present, Council goals and objectives are shaped using the County-wide Children’s Strategic Plan, input from the community and staff. The budget is then developed around those identified service and system needs. For the upcoming 2023-2024 fiscal year, local property values had increased, and the Council maintained a level millage rate of 0.4500 mills. The increased property values generated an 11% or \$11.6 million increase of tax revenue of from the prior fiscal year. Additionally, the Council members voted to appropriate a total of \$20 million of fund balance and budget carry forward to grow programs and services to help meet the ever-growing needs within the community.

**REQUESTS FOR INFORMATION**

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



**Children's Services Council**  
of Broward County  
Our Focus is Our Children.

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**  
**Statement of Net Position**  
**September 30, 2023**

|  | <b>Governmental<br/>Activities</b> |
|--|------------------------------------|
| <b>ASSETS</b>                                    |                                    |
| Current Assets:                                  |                                    |
| Cash   | \$ 4,556,459                       |
| Investments                                      | 83,099,581                         |
| Accounts and Interest Receivable                 | 67,117                             |
| Due From Other Governments                       | 720,074                            |
| Prepaid Items                                    | 179,981                            |
| Total Current Assets                             | 88,623,212                         |
| Other Assets:                                    |                                    |
| Capital Assets, Not Being Depreciated/Amortized: |                                    |
| Land   | 2,500,000                          |
| Intangibles - Work In Progress                   | 3,500                              |
| Capital Assets, Being Depreciated/Amortized:     |                                    |
| Building and Related Infrastructure              | 3,429,104                          |
| Intangible Assets                                | 145,500                            |
| Computer Hardware/Software                       | 187,119                            |
| Furniture and Equipment                          | 68,271                             |
| Software Subscription Assets                     | 254,656                            |
| Intangible Right to Use Leased Equipment         | 30,170                             |
| Total Capital Assets                             | 6,618,320                          |
| Total Assets                                     | 95,241,532                         |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>            |                                    |
| Pension Plans:                                   |                                    |
| Florida Retirement System                        | 2,180,112                          |
| Health Insurance Subsidy                         | 379,706                            |
| Other Post Employment Benefits (OPEB)            | 1,688                              |
| Total Deferred Outflows of Resources             | 2,561,506                          |

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

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Statement of Net Position, (Continued)****September 30, 2023****LIABILITIES**

## Current Liabilities:

|  |                  |
|--|------------------|
| Accounts Payable and Accrued Liabilities | 9,285,821        |
| Unearned Revenue                         | 57,350           |
| Expected to be paid within one year:     |                  |
| Compensated Absences                     | 151,333          |
| Software Subscription Liability          | 80,666           |
| Lease Liability                          | 10,798           |
| Total Current Liabilities                | <u>9,585,968</u> |

## Noncurrent Liabilities:

## Expected to be paid after one year:

|                                 |                   |
|---------------------------------|-------------------|
| Compensated Absences            | 1,362,002         |
| Software Subscription Liability | 169,675           |
| Lease Liability                 | 19,740            |
| OPEB Liability                  | 46,716            |
| Net Pension Liability:          |                   |
| Florida Retirement System       | 7,040,734         |
| Health Insurance Subsidy        | 3,064,386         |
| Total Noncurrent Liabilities    | <u>11,703,253</u> |
| Total Liabilities               | <u>21,289,221</u> |

**DEFERRED INFLOWS OF RESOURCES**

## Pension Plans:

|                                       |                |
|---------------------------------------|----------------|
| Florida Retirement System             | 85,340         |
| Health Insurance Subsidy              | 272,732        |
| Other Post Employment Benefits (OPEB) | 72,954         |
| Total Deferred Inflows of Resources   | <u>431,026</u> |

**NET POSITION**

|                                  |                      |
|----------------------------------|----------------------|
| Net Investment in Capital Assets | 6,337,441            |
| Unrestricted                     | 69,745,350           |
| Total Net Position               | <u>\$ 76,082,791</u> |

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





**Children's Services Council**  
of Broward County  
Our Focus is Our Children.

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**  
**Statement of Activities**  
**Fiscal Year Ended September 30, 2023**

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| <b>Expenses:</b>                                  |                                    |
| Program Services:                                 |                                    |
| Program Services                                  | \$ 89,320,249                      |
| Program Support                                   | 9,282,436                          |
| Total Program Services                            | 98,602,685                         |
| General Administration:                           |                                    |
| Personal Services                                 | 3,939,470                          |
| Materials and Services                            | 1,248,884                          |
| Community Redevelopment and<br>Tax Collector Fees | 3,648,749                          |
| Total General Administration                      | 8,837,103                          |
| <b>Total Expenses</b>                             | <b>107,439,788</b>                 |
| <b>General Revenues:</b>                          |                                    |
| Property Taxes                                    | 105,403,582                        |
| Investment Earnings (Loss)                        | 5,130,695                          |
| Grant Funding, Unrestricted                       | 888,149                            |
| Miscellaneous Local                               | 1,716,690                          |
| Total General Revenues                            | 113,139,116                        |
| Change in Net Position                            | 5,699,328                          |
| Net Position - Beginning                          | 70,383,463                         |
| Net Position - End of the Year                    | \$ 76,082,791                      |

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

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**  
**Balance Sheet - Governmental Funds**  
**September 30, 2023**

|  | <b>General Fund</b> |
|--|---------------------|
| <b>ASSETS</b>                            |                     |
| Current Assets:                          |                     |
| Cash                                     | \$ 4,556,459        |
| Investments                              | 83,099,581          |
| Accounts and Interest Receivable         | 67,117              |
| Due From Other Governments               | 720,074             |
| Prepaid Items                            | 179,981             |
| Total Assets                             | \$ 88,623,212       |
| <br><b>LIABILITIES and FUND BALANCE</b>  |                     |
| Liabilities:                             |                     |
| Accounts Payable and Accrued Liabilities | \$ 9,285,821        |
| Unearned Revenue                         | 57,350              |
| Total Liabilities                        | 9,343,171           |
| <br>Fund Balance:                        |                     |
| Nonspendable                             | 179,981             |
| Committed                                | 6,000,000           |
| Assigned                                 | 20,235,194          |
| Unassigned                               | 52,864,866          |
| Total Fund Balance                       | 79,280,041          |
| Total Liabilities and Fund Balance       | \$ 88,623,212       |

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

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**  
**Reconciliation of the Governmental Funds Balance Sheet to**  
**the Government-Wide Statement of Net Position**  
**September 30, 2023**

|   |               |               |
|---|---------------|---------------|
| Fund Balance - Total Governmental Funds (page 32)   |               | \$ 79,280,041 |
| <p>Amounts reported for governmental activities in the government-wide Statement of Net Position are different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p> |               |               |
| Governmental capital assets   | \$ 10,003,375 |               |
| Less accumulated depreciation/amortization  | (3,669,881)   | 6,333,494     |
| Software Subscription Assets  | \$ 339,541    |               |
| Less accumulated amortization for software subscription assets  | (84,885)      | 254,656       |
| Intangible right to use leased assets   | \$ 53,980     |               |
| Less accumulated amortization for intangible right to use leased asset  | (23,810)      | 30,170        |
| <p>Deferred outflows of resources related to Pensions and OPEB are recorded in the Statement of Net Position</p>  |               |               |
|   |               | 2,561,506     |
| <p>Deferred inflows of resources related to Pensions and OPEB are recorded in the Statement of Net Position</p>   |               |               |
|   |               | (431,026)     |
| <p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>  |               |               |
| Compensated Absences  |               | (1,513,335)   |
| Software Subscription Liability   |               | (250,341)     |
| Lease Liability   |               | (30,538)      |
| OPEB Liability  |               | (46,716)      |
| Net Pension Liability:  |               |               |
| Florida Retirement System   |               | (7,040,734)   |
| Health Insurance Subsidy  |               | (3,064,386)   |
| Net Position of Governmental Activities (page 29)   |               | \$ 76,082,791 |

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

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**  
**Statement of Revenues, Expenditures and**  
**Changes In Fund Balance - Governmental Funds**  
**Fiscal Year Ended September 30, 2023**

|  | <b>General Fund</b> |
|--|---------------------|
| <b>Revenues:</b>                       |                     |
| Ad Valorem Taxes                       | \$ 105,403,582      |
| Grant Funding                          | 888,149             |
| Investment Earnings (Loss)             | 5,130,695           |
| Miscellaneous Local                    | 1,716,690           |
| Total Revenues                         | 113,139,116         |
| <br><b>Expenditures:</b>               |                     |
| <b>Program Services &amp; Support:</b> |                     |
| Program Services                       | 89,202,515          |
| Monitoring/Outcome Materials           | 117,734             |
| Employee Salaries and Benefits         | 7,697,083           |
| Other Consultants                      | 3,145               |
| Material and Supplies                  | 4,898               |
| Printing and Advertising               | 9,401               |
| Software Maintenance                   | 94,338              |
| Travel and Other Expenditures          | 68,918              |
| Total Program Services & Support       | 97,198,032          |
| <br><b>General Administration:</b>     |                     |
| Employee Salaries and Benefits         | 3,299,278           |
| Legal Fees                             | 32,190              |
| Auditors and Other Consultants         | 43,207              |
| Materials and Supplies                 | 20,448              |
| Printing and Advertising               | 3,751               |
| Other General Administration           | 286,376             |
| Telecommunications                     | 39,589              |
| Travel and Other Expenditures          | 144,290             |
| Tax Collection Fees                    | 654,818             |
| Community Redevelopment Area Fees      | 2,993,931           |
| Total General Administration           | 7,517,878           |

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

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**  
**Statement of Revenues, Expenditures and**  
**Changes In Fund Balance - Governmental Funds**  
**Fiscal Year Ended September 30, 2023, (Continued)**

|  | <b>General Fund</b>  |
|--|----------------------|
| <b>Capital Outlay:</b>                               |                      |
| Computer Hardware/Software                           | 58,946               |
| Furniture/ Equipment                                 | 68,305               |
| Remodeling/Renovations                               | 3,500                |
| Total Capital Outlay                                 | 130,751              |
| <b>Lease and Subscription Software Expenditures:</b> |                      |
| Lease Principal Payment                              | 11,732               |
| Lease Interest Payment                               | 255                  |
| Subscription Software Principal Payment              | 214,340              |
| Subscription Software Interest Payment               | 1,960                |
| Total Lease and Subscription Software Expenditures   | 228,287              |
| <b>Total Expenditures</b>                            | <b>105,074,948</b>   |
| <b>Net Change in Fund Balance</b>                    | <b>8,064,168</b>     |
| <b>Beginning Fund Balance</b>                        | <b>71,215,873</b>    |
| <b>Ending Fund Balance</b>                           | <b>\$ 79,280,041</b> |

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

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures and Changes in Fund Balance**  
**of Governmental Funds to the**  
**Statement of Activities**  
**Fiscal Year Ended September 30, 2023**

|                                    |    |           |
|------------------------------------|----|-----------|
| Net Change in Fund Balance         |    |           |
| Total Governmental Funds (page 35) | \$ | 8,064,168 |

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

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

|   |    |           |           |
|---|----|-----------|-----------|
| Expenditures for capital assets, net                                | \$ | 78,287    |           |
| Less disposed capital assets, net                                   |    | (80,000)  |           |
| Less current year depreciation/amortization                         |    | (476,247) |           |
| Less amortization expense for software subscription assets          |    | (210,025) |           |
| Less amortization expense for intangible right to use leased assets |    | (11,905)  | (699,890) |
|   |    | (11,905)  |           |

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                              |    | (29,024)    |  |
| Change in Software Subscription Liability                   |    | 214,340     |  |
| Change in Lease Liability                                   |    | 11,732      |  |
| Change in OPEB Liability and related pension items          |    | 29,537      |  |
| Change in Net Pension Liability and related pension items:  |    |             |  |
| Florida Retirement System                                   |    | (794,012)   |  |
| Health Insurance Subsidy                                    |    | (1,097,523) |  |
| Change in Net Position of Governmental Activities (page 31) | \$ | 5,699,328   |  |

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

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**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**

**Notes to the Financial Statements  
September 30, 2023**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

The Children's Services Council of Broward County follows the standards and related amendments promulgated by GASB to define the reporting entity. The financial statements include all operations over which the Council is financially accountable. While the Council provides funding for various agencies, each agency is financially independent. The Council has no authority to appoint or hire management of the agencies nor does it have responsibility for routine operations of the agencies. Based upon application of these factors, the Council has concluded that it has no financial accountability for the various agencies and therefore, their financial statements are excluded from the reporting entity. The Council has not identified any component units and is not a participant in any joint ventures.



**Notes to the Financial Statements  
September 30, 2023**

**B. Basis of Presentation**

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

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

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

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

**C. Measurement Focus and Basis of Accounting**

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

All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the activities of the Council are included on the Statement of Net Position. The Statement of Activities reports revenues and expenses.

**Notes to the Financial Statements  
September 30, 2023**

**C. Measurement Focus and Basis of Accounting (Continued)**

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues available if they are collected within sixty days of the end of the current fiscal year. Property taxes and net investment earnings are susceptible to accrual. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty days thereafter. Interest on invested funds is recognized when earned. Grant funding from federal, state, and local governments is recorded as revenues if expected to be collected within one year of the fiscal year's end. All other revenue items are measured and available when earned.

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

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

**D. Budgets and Budgetary Accounting**

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

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized as an extension of the formal budgetary process to reflect the estimated amount of future expenditures arising from the issuance of purchase orders, contracts or other forms of legal commitments existing at year-end, which will be paid in the future. Encumbrances lapse at year-end; however, the succeeding year's budget provides for the re-appropriation of certain year-end encumbrances.

**Notes to the Financial Statements  
September 30, 2023**

**D. Budgets and Budgetary Accounting (Continued)**

These “open” encumbrances are included in the Assigned Fund Balance at fiscal year-end in accordance with their spending constraint. Encumbrances do not constitute expenditures or liabilities since goods and services are not yet received.

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

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

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

The Florida Public Assets for Liquidity Management (FL PALM) is a common law trust organized under the laws of the State of Florida. The sponsors of the Fund are the Florida School Boards Association and the Florida Association of District School Superintendents. The Fund is designed to meet cash management and short-term investment needs of school districts, political subdivisions of the State of Florida, or instrumentalities of political subdivisions of the State.

**Notes to the Financial Statements  
September 30, 2023**

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

FL PALM is a local government investment pool (LGIP), which follows GASB Statement No. 79 criteria. The Council's funds invested in the FL PALM are exempt from GASB Statement No. 72, and reports are at amortized cost. Additionally, the investments in the FL PALM are not insured by FDIC or any other governmental agency. All other investments are reported at fair value as discussed in Note 2.

*Inventory and Prepaid Items* – The Council does not utilize any inventory items. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide and fund statements. The Council utilizes the consumption method to account for these costs.

*Capital Assets* – Capital assets, which include land, intangibles, building and related infrastructure, computer hardware/software, furniture, and equipment, are reported in the government-wide financial statements. Items purchased or acquired are reported at historical cost or estimated historical cost. Donated capital assets, donated works of art, historical works of art and similar items and capital assets received in a service concession arrangement are recorded at acquisition value. Maintenance, repairs, and minor renovations are not capitalized. Expenditures that significantly increase values or extend useful lives are capitalized.

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

| <u>Asset</u>               | <u>Years</u> |
|----------------------------|--------------|
| Computer Hardware/Software | 3            |
| Intangible Assets          | 3            |
| Furniture and Equipment    | 5            |
| Building Infrastructure    | 20           |
| Building                   | 30           |

The Council has recorded a right to use lease asset and a software subscription asset as a result of implementing GASB 87 and GASB 96, respectively. These assets are initially measured at an amount equal to the initial measurement of the related liability plus any payments made prior to the terms of these arrangements, less incentives, and plus ancillary charges necessary to place the assets into service. The assets are amortized on a straight-line basis over the life of the respective lease and subscription arrangements.

**Notes to the Financial Statements  
September 30, 2023**

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

Depreciation/amortization expense is reflected in the financial statements in accordance with GASB Statement No. 34 requirements for capital assets greater than \$5,000 and an estimated economic life greater than one year.

Per Florida State Statutes as well as for internal control purposes, assets with a historical cost greater than \$5,000 and a projected useful life of one year or more, are also tagged and tracked in the capital assets system. Attractive items under the threshold must be tagged and tracked for inventory purposes. Attractive items are officially defined as “tangible personal property used in operations that has a cost less than an established threshold and that requires special attention to ensure legal compliance, protect public safety, and avoid potential liability, or to compensate for a heightened risk of theft”.

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

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

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

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

- *Nonspendable Fund Balance* – amounts that are not in spendable form (such as prepaid items) or are legally or contractually required to be maintained intact.

**Notes to the Financial Statements  
September 30, 2023**

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

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

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

*Minimum Fund Balance Policy* – In the General Fund, the Council strives to maintain a minimum unassigned fund balance of 17% or two months of the budgeted operating expenditures. This minimum amount is required to manage cash inflows and outflows until tax revenue is received since the Council is prohibited from issuing short-term debt instruments such as RAN (Revenue Anticipation Notes) or TAN (Tax Anticipation Notes).

**Notes to the Financial Statements  
September 30, 2023**

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

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

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

**F. Revenues and Expenditures/Expenses**

Program Revenues – Amounts reported as miscellaneous local revenue include 1) local grants for various programs, 2) donations and contributions for events and 3) charges to customers for trainings. All taxes are reported as general revenues rather than program revenues.

Property Taxes – Florida laws restrict millage rate increases that a government may levy. In addition to multiple exemptions for most homeowners, a four percent discount is also allowed if the taxes are paid in November, with the discount declining by one percentage point each month thereafter. Taxes become delinquent April 1 of each year. Delinquent property tax certificates are sold to the public beginning June 1, at which time a lien attaches to the property. By fiscal year end, virtually all property taxes are collected either directly or through tax certificate sales. Property tax revenues are recorded by the Council based on the amount of receipts reported by the County Tax Collector.

**Notes to the Financial Statements  
September 30, 2023**

**F. Revenues and Expenditures/Expenses (Continued)**

Use of Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows and liabilities and deferred inflows, disclosure of contingent assets and deferred outflows of resources and liabilities and deferred inflows of resources at the date of the financial statements, and the reported amount of revenue and expenses/expenditures during the reporting period. Actual results may differ from those estimates.

Compensated Absences – The Council employees are granted a specific number of paid vacation and sick leave days. Employees are permitted to accumulate a maximum of 450 hours (60 days) of vacation as of September 30. Excess time is forfeited if not used by the end of the fiscal year.

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

**G. Impact of Change in Accounting Principles**

In May 2020, the GASB issued Statement No. 96-*Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.

The Council implemented GASB 96 in fiscal year 2023 and the changes were incorporated into the Council's 2023 financial statements. There was no effect on the beginning net position of the governmental activities as noted below.



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**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**

**Notes to the Financial Statements  
September 30, 2023**

**G. Impact of Change in Accounting Principles (Continued)**

|  | <u>Governmental Activities</u> |
|--|--------------------------------|
| Net position, September 30, 2022               | \$ 70,383,463                  |
| Adjustments:                                   |                                |
| Net book value of software subscription assets | 464,681                        |
| Software subscription liability                | <u>(464,681)</u>               |
| Net position, September 30, 2022               | <u>\$ 70,383,463</u>           |

**H. New Accounting Pronouncements**

GASB Statement No. 99 - In April 2022, the GASB issued Statement No. 99 - *Omnibus 2022*. The objective of this statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Some requirements of this Statement are effective immediately, and others will take effect for financial statements starting with the fiscal year that ends June 30, 2023, and 2024. There is no impact to the Council.

GASB Statement No. 100 - In June 2022, the GASB issued Statement No. 100 - *Accounting Changes and Error Corrections- an amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2024. There is no impact to the Council.

GASB Statement No. 101- In June 2022, the GASB issued Statement No. 101- *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2024. The Council is currently evaluating the implementation requirements of this Statement.

**Notes to the Financial Statements  
September 30, 2023**

**2. CASH AND INVESTMENTS**

***Statement of Policy***

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

The Council's policy is written in accordance with Section 218.415, Florida Statutes, which applies to funds under control of local governments and special districts. The policy and any subsequent revisions are approved by the Council Members. Florida statutes authorize the deposit of the Council funds in demand deposits or time deposits of financial institutions approved by the State Treasurer, defined as qualified public depositories. Pursuant to Chapter 280, Florida Statutes, the State Treasurer requires Qualified Public Depositories ("QPD") to deposit with the Treasurer or other banking institution, eligible collateral. In the event of a failure, the remaining public depositories would be responsible for covering any losses. All bank balances of the Council are held in a QPD. As of September 30, 2023, the carrying amount of the Council's deposits was \$4,556,459 with a bank balance of \$4,558,959. The Council's deposits at year-end are considered insured and collateralized for custodial credit risk purposes.

***Investments***

The Council's investment policy allows management to invest funds in investments permitted under Florida Statutes Section 218.415. This statute explicitly allows deposits and investments in QPD's, intergovernmental investment pools, money market funds, and other investments authorized by law or by resolution for a special district, which are the only vehicles the Council is currently utilizing.

Cash and investments as of September 30, 2023, are composed of the following:

|                             | Reported Amount | Fair Value    |
|-----------------------------|-----------------|---------------|
| Cash Deposits               | \$ 4,556,459    | \$ 4,556,459  |
| Investments with the SBA:   |                 |               |
| Florida PRIME               | 28,018,193      | 28,018,193    |
| Investments with FL PALM:   |                 |               |
| FL PALM Portfolio           | 29,782,085      | 29,782,085    |
| Managed Funds with US Bank: |                 |               |
| Assets                      | \$ 25,090,719   |               |
| Accrued Income              | 208,584         |               |
|                             | 25,299,303      | 25,299,303    |
| Total Investments           | 83,099,581      | 83,099,581    |
| Total Cash and Investments  | \$ 87,656,040   | \$ 87,656,040 |

**Notes to the Financial Statements  
September 30, 2023**

**2. CASH AND INVESTMENTS (Continued)**

***Credit Risk***

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Council's investment policy limits its investments to high quality investments to control credit risk. For liquidity purposes as well as to control risk, 70% of the Council's operating investments for fiscal year 2023, were invested with the SBA, and the Florida Public Assets for Liquidity Management (FL PALM). The remainder 30% of operating investments was managed by PFM Asset Management and held in trust at US Bank.

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

The Managed Funds portfolio is rated by Moody's Investor Services as follows:

| Rating                     | Fair Value    |
|----------------------------|---------------|
| Managed Funds Investments: |               |
| A1                         | \$ 2,620,873  |
| A2                         | 1,899,651     |
| A3                         | 959,596       |
| AA1                        | 166,274       |
| AA2                        | 633,094       |
| AA3                        | 579,388       |
| AAA                        | 13,761,143    |
| Not Rated                  | 4,470,700     |
| Total                      | \$ 25,090,719 |

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Council's investment policy limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The dollar weighted average days to maturity (WAM) for the Florida PRIME was 35 days, and 43 days for the FL PALM on September 30, 2023. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM.

The weighted average life (WAL) of Florida PRIME, and FL PALM on September 30, 2023, are 75 days. As of September 30, 2023, the average maturity in years of the Managed Funds investments held at US Bank are:

**Notes to the Financial Statements  
September 30, 2023**

**2. CASH AND INVESTMENTS (Continued)**

| <b>Investment Type</b>    | <b>Total Fair Value</b> | <b>Average Maturity in Years</b> |                      | <b>Percent Distribution</b> |
|---------------------------|-------------------------|----------------------------------|----------------------|-----------------------------|
|                           |                         | <b>Less than 1</b>               | <b>1 to 5</b>        |                             |
| Cash Equivalents          | \$ 39,347               | \$ 39,347                        | \$ -                 | 0.16%                       |
| U.S Government Securities | 15,371,969              | 1,453,806                        | 13,918,163           | 61.27%                      |
| Corporate Issues          | 7,018,248               | 922,611                          | 6,095,637            | 27.97%                      |
| Foreign Issues            | 2,432,090               | 194,888                          | 2,237,202            | 9.69%                       |
| Municipal Issues          | 229,065                 | -                                | 229,065              | 0.91%                       |
| <b>Total</b>              | <b>\$ 25,090,719</b>    | <b>\$ 2,610,652</b>              | <b>\$ 22,480,067</b> | <b>100.00%</b>              |

**Concentration Risk**

The Council's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from concentration of assets in a specific issuer. Specific limits have been established which limit the percentage of portfolio assets that can be invested with a specific issuer. GASB Statement No. 40, Deposit, and Investment Risk Disclosures, requires disclosure when the percentage is 5% or more in any one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, or other pooled investments are excluded from this requirement. At September 30, 2023, the Council had no investment in any one issuer of 5% or more requiring disclosure.

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g., broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Council's investment policy requires securities, with the exception of certificates of deposit, to be registered in the Council's name and held with a third-party custodian.

**Foreign Credit Risk**

For an investment, foreign credit risk is the risk that fluctuations in currency exchange rates may affect transactions conducted in currencies other than U.S. dollars and the carrying value of foreign investments. The Council's is not exposed to foreign credit risk. The total of the investments in foreign issues, which consist of corporate notes and Supra-national agency bonds, was \$ 2,432,090.

**Notes to the Financial Statements  
September 30, 2023**

**2. CASH AND INVESTMENTS (Continued)**

**Fair Value Measurements**

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

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

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

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

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

The Florida PRIME and FL PALM are not included in the fair value hierarchy as they are reported at amortized cost. At September 30, 2023, the investments by fair value are:

| <u>Investment Type</u>                     | <u>Total Fair Value</u> | <u>Quoted Prices<br/>in Active<br/>Market for<br/>Identical Assets<br/>(Level 1)</u> | <u>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</u> | <u>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</u> |
|--|-------------------------|--|--|--|
| Cash Equivalents                           | \$ 39,347               | \$ -   | \$ 39,347  | \$ -   |
| U.S. Government Securities                 | 15,371,969              | 13,969,481   | 1,402,488  | -  |
| Corporate Issues                           | 7,018,248               | -  | 7,018,248  | -  |
| Foreign Issues-Corporate Notes             | 2,008,489               | -  | 2,008,489  | -  |
| Foreign Issues-Supra-National Agency Bonds | 423,601                 | -  | 423,601  | -  |
| Municipal Issues                           | 229,065                 | -  | 229,065  | -  |
| <b>Total</b>                               | <b>\$ 25,090,719</b>    | <b>\$ 13,969,481</b>   | <b>\$ 11,121,238</b>   | <b>\$ -</b>  |

**Notes to the Financial Statements  
September 30, 2023**

**2. CASH AND INVESTMENTS (Continued)**

**Investment Pools and Pool Participants**

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

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

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

FL PALM Portfolio is available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as an investor has a sufficient number of shares to meet their redemption request. The Board of Trustees can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of the FL PALM Portfolio's securities or determination of its net asset value not reasonably practical. Premature redemption penalties may apply.

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Notes to the Financial Statements  
September 30, 2023****3. RECEIVABLES AND PAYABLES**

Accounts and Interest Receivable as of September 30, 2023, consists of the following:

|  | <u>General Fund</u> |
|--|---------------------|
| Taxes Receivable                       | \$ 13,002           |
| Interest Receivable                    | 27,925              |
| Other                                  | 26,190              |
| Total Accounts and Interest Receivable | <u>\$ 67,117</u>    |

Accounts Payable, and Accrued Liabilities as of September 30, 2023, consists of the following:

|  | <u>General Fund</u> |
|--|---------------------|
| Funded Providers                               | \$ 8,458,603        |
| Salaries and Wages Payable                     | 454,455             |
| Administrative & Other                         | 371,506             |
| Employee Reimbursements                        | 1,257               |
| Total Accounts Payable and Accrued Liabilities | <u>\$ 9,285,821</u> |

**3. PROPERTY TAXES**

Florida Statutes permit the Council to levy taxes up to 0.5 mills per \$1,000 of assessed valuation. The rate levied for the Council for fiscal year 2023 was 0.4500 mills, which was a 4% reduction over the prior fiscal year. However, due to increased property values the tax revenue increased 6%. Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for real and personal property located within Broward County. The adjusted assessed value on July 1, 2022, upon which the fiscal year 2023 levy was based, was approximately \$246.7 billion. There was \$13,002 in property taxes receivable from the tax collector on September 30, 2023.

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**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**

**Notes to the Financial Statements  
September 30, 2023**

**4. CAPITAL ASSETS ACTIVITY**

The following is a summary of capital asset activity for the fiscal year ended September 30, 2023:

|   | Balance at<br>Oct. 1, 2022<br>As Restated | Additions &<br>Transfers | Retirements<br>& Transfers | Balance at<br>Sept. 30, 2023 |
|---|---|--------------------------|----------------------------|------------------------------|
| <b>Capital Assets:</b>                              |   |                          |                            |                              |
| <b>Capital Assets Not Depreciated/Amortized:</b>    |   |                          |                            |                              |
| Land  | \$ 2,500,000                              | \$ -                     | \$ -                       | \$ 2,500,000                 |
| Intangibles-Work in Progress                        | 298,251                                   | 3,500                    | (298,251)                  | 3,500                        |
| <b>Capital Assets Depreciated/Amortized:</b>        |   |                          |                            |                              |
| Building  | 6,141,162                                 | -                        | -                          | 6,141,162                    |
| Building Infrastructure                             | 313,132                                   | -                        | (18,335)                   | 294,797                      |
| Computer Hardware/Software                          | 657,324                                   | 6,482                    | (217,247)                  | 446,559                      |
| Intangible Assets                                   | 256,217                                   | 218,251                  | -                          | 474,468                      |
| Furniture and Equipment                             | 62,025                                    | 86,640                   | (5,776)                    | 142,889                      |
| Software Subscription Assets                        | 464,681                                   | -                        | (125,140)                  | 339,541                      |
| Intangible right to use leased equipment            | 53,980                                    | -                        | -                          | 53,980                       |
| <b>Total Capital Assets</b>                         | <b>10,746,772</b>                         | <b>314,873</b>           | <b>(664,749)</b>           | <b>10,396,896</b>            |
| <b>Less Accumulated Depreciation/Amortization:</b>  |   |                          |                            |                              |
| Building  | 2,639,635                                 | 204,274                  | -                          | 2,843,909                    |
| Building Infrastructure                             | 159,602                                   | 3,344                    | -                          | 162,946                      |
| Computer Hardware/Software                          | 368,986                                   | 107,701                  | (217,247)                  | 259,440                      |
| Intangible Assets                                   | 186,409                                   | 142,559                  | -                          | 328,968                      |
| Furniture and Equipment                             | 62,025                                    | 18,369                   | (5,776)                    | 74,618                       |
| Software Subscription Assets                        | -   | 210,025                  | (125,140)                  | 84,885                       |
| Intangible right to use leased equipment            | 11,905                                    | 11,905                   | -                          | 23,810                       |
| <b>Total Accumulated Depreciation/ Amortization</b> | <b>3,428,562</b>                          | <b>698,177</b>           | <b>(348,163)</b>           | <b>3,778,576</b>             |
| <b>Capital Assets, Net</b>                          | <b>\$ 7,318,210</b>                       | <b>\$ (383,304)</b>      | <b>\$ (316,586)</b>        | <b>\$ 6,618,320</b>          |

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

|  |                   |
|--|-------------------|
| Program Support                                      | \$ 77,323         |
| General Administration                               | 620,854           |
| <b>Total Depreciation &amp; Amortization Expense</b> | <b>\$ 698,177</b> |



**Notes to the Financial Statements  
September 30, 2023**

**5. RETIREMENT PLANS**

***Florida Retirement System***

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

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

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

[www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

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

**Notes to the Financial Statements  
September 30, 2023**

**6. RETIREMENT PLANS-Florida Retirement System (Continued)**

The aggregate net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense as of September 30, 2023, for the FRS Pension and HIS Plans are listed below:

|                                | FRS          | HIS          | Total         |
|--------------------------------|--------------|--------------|---------------|
| Net Pension Liability          | \$ 7,040,734 | \$ 3,064,386 | \$ 10,105,120 |
| Deferred Outflows of Resources | 2,180,112    | 379,706      | 2,559,818     |
| Deferred Inflows of Resources  | 85,340       | 272,732      | 358,072       |
| Pension Expense                | 794,012      | 1,097,522    | 1,891,534     |

***The Pension Plan***

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

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

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular and Senior Management Service class members. In addition, the final average compensation for these members will be based on the eight highest years of salary. As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of- living adjustment is three percent per year.

**Notes to the Financial Statements  
September 30, 2023**

**6. RETIREMENT PLANS-Florida Retirement System (Continued)**

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

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 96 months beginning any time after the normal retirement date. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. Effective July 1, 2023, DROP accounts will accrue at an effective annual rate of 4%, compounded monthly on the prior month's accumulated ending balance, up to the month of termination or death, except as provided in Section 121.053(7), Florida Statutes. There are no required contributions by DROP participants.

The Investment Plan Option: As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Council employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Senior Management, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts through June 30, 2023, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 9.30% and Senior Management Service class 10.67%. Effective July 1, 2023, the allocations increased as follows: Regular class 11.30% and Senior Management Service class 12.67%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds.

**Notes to the Financial Statements  
September 30, 2023**

**6. RETIREMENT PLANS-Florida Retirement System (Continued)**

Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2023, the information related to the number of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Council.

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

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to contribute to the FRS based on statewide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2022, through June 30, 2023, and from July 1, 2023, through September 30, 2023, respectively, were as follows: Regular—11.91% and 13.57%; Senior Management Service—31.57% and 34.52%; and DROP participants—18.60 % and 21.13%. These employer contribution rates include 1.66% HIS Plan subsidy for the periods October 1, 2022, through June 30, 2023, and 2% from July 1, 2023, through September 30, 2023, respectively. The Council's contributions, including employee contributions to the Pension Plan totaled \$1,423,842 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2023, the Council reported a liability of \$7,040,734 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Council's proportionate share of the net pension liability was based on the Council's 2022-23 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2023, the Council's proportionate share was .017669494 percent, which was a decrease of .000370355 percent from its proportionate share measured as of June 30, 2022.

**Notes to the Financial Statements  
September 30, 2023**

**6. RETIREMENT PLANS-Florida Retirement System (Continued)**

For the fiscal year ended September 30, 2023, the Council recognized an increase in pension expense of \$794,012. In addition, the Council reported deferred outflows of resources and deferred inflows of resources related to the Pension Plan from the following sources:

| Description   | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience  | \$ 661,064                        | \$ -                             |
| Change of assumptions   | 458,973                           | -                                |
| Net difference between projected and actual earnings on Pension Plan investments  | 294,040                           | -                                |
| Changes in proportion and differences between Council Pension Plan contributions and proportionate share of contributions | 531,489                           | 85,340                           |
| Council Pension Plan contributions subsequent to measurement date   | 234,546                           | -                                |
| <b>Total</b>  | <b>\$ 2,180,112</b>               | <b>\$ 85,340</b>                 |

The deferred outflows of resources related to the Pension Plan, totaling \$234,546 resulting from Council contributions to the Plan subsequent to the measurement date, but before the end of the Council's reporting period, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024.

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

| Fiscal Year Ending<br>September 30: | Amount     |
|-------------------------------------|------------|
| 2024                                | \$ 375,935 |
| 2025                                | 83,982     |
| 2026                                | 1,259,549  |
| 2027                                | 115,262    |
| 2028                                | 25,498     |
| Thereafter                          | -          |

**Notes to the Financial Statements  
September 30, 2023**

**6. RETIREMENT PLANS-Florida Retirement System (Continued)**

Actuarial Assumptions – The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

|                           |   |
|---------------------------|---|
| Inflation                 | 2.40 %  |
| Salary increases          | 3.25%, average, including inflation.                                |
| Investment rate of return | 6.70%, net of pension plan investment expense, including inflation. |

Mortality assumptions for the FRS Pension Plan were based on the PUB-2010 base table, projected generationally with Scale MP-2018. Actuarial assumptions used in the July 1, 2023, valuation, were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

Long-Term Expected Rate of Return - The long-term expected rate of return assumption of 6.7 percent consists of two building block components: 1) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2023 by the FRS Actuarial Assumption Conference; and 2) an inferred real (in excess of inflation) return of 4.20 percent, which is consistent with the 4.48 percent real return developed from the capital market outlook model developed by the FRS consulting actuary; and for funding policy purposes, as allowable under governmental accounting standards. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 6.70 percent return assumption were determined to be reasonable and appropriate per the Actuarial Standards of Practice.

The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The FRS allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

**Notes to the Financial Statements  
September 30, 2023**

**6. RETIREMENT PLANS-Florida Retirement System (Continued)**

| <u>Asset Class</u>       | <u>Target Allocation (1)</u> | <u>Annual Arithmetic Return</u> | <u>Compound Annual (Geometric) Return</u> | <u>Annual Standard Deviation</u> |
|--------------------------|------------------------------|---------------------------------|---|----------------------------------|
| Cash                     | 1.0%                         | 2.9%                            | 2.9%                                      | 1.1%                             |
| Fixed Income             | 19.8%                        | 4.5%                            | 4.4%                                      | 3.4%                             |
| Global Equity            | 54.0%                        | 8.7%                            | 7.1%                                      | 18.1%                            |
| Real Estate              | 10.3%                        | 7.6%                            | 6.6%                                      | 14.8%                            |
| Private Equity           | 11.1%                        | 11.9%                           | 8.8%                                      | 26.3%                            |
| Strategic Investments    | 3.8%                         | 6.3%                            | 6.1%                                      | 7.7%                             |
| Assumed Inflation – Mean |                              |                                 | 2.4%                                      | 1.4%                             |

(1) As outlined in the FRS Pension Plan's investment policy available @www.sbafla.com.

Discount Rate - The discount rate used to measure the total pension liability was 6.70%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Council's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Council's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

|  | <u>1% Decrease<br/>(5.70%)</u> | <u>Current<br/>Discount Rate<br/>(6.70%)</u> | <u>1% Increase<br/>(7.70%)</u> |
|--|--------------------------------|--|--------------------------------|
| Council's proportionate share of the net pension liability | \$ 12,027,008                  | \$ 7,040,734                                 | \$ 2,869,120                   |

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

Payables to the Pension Plan - At September 30, 2023, the Council reported a payable in the amount of \$124,010 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2023.

**Notes to the Financial Statements  
September 30, 2023**

**6. RETIREMENT PLANS-Florida Retirement System (Continued)**

**HIS Plan**

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

Benefits Provided – Effective July 1, 2023, the level of monthly benefits increased from \$5 for each year of creditable service completed at the time of retirement, to \$7.50, with an increased minimum HIS payment of \$45 and a maximum HIS payment of \$225. This change applies to all years of service for both members currently receiving benefits and members not yet receiving benefits. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023, the HIS contribution was 1.66% for the period October 1, 2022, through June 30, 2023, and 2% for the period July 1, 2023, through September 30, 2023, respectively. The Council contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled. The Council's contributions to the HIS Plan totaled \$15,536 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2023, the Council reported a liability of \$3,064,386 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Council's proportionate share of the net pension liability was based on the Council's 2022-23 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members.

At June 30, 2023, the Council's proportionate share was .019295519 percent, which was an increase of .000492622 percent from its proportionate share measured as of June 30, 2022. For the fiscal year ended September 30, 2023, the Council recognized HIS pension expense of \$1,097,522.



**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**

**Notes to the Financial Statements  
September 30, 2023**

**6. RETIREMENT PLANS-Florida Retirement System (Continued)**

In addition, the Council reported deferred outflows of resources and deferred inflows of resources related to the HIS plan from the following sources:

| Description   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Differences between expected and actual experience  | \$ 44,861                                 | \$ 7,193                                 |
| Change of assumptions   | 80,562                                    | 265,539                                  |
| Net difference between projected and actual earnings on HIS Plan investments  | 1,582                                     | -  |
| Changes in proportion and differences between Council HIS Plan contributions and proportionate share of contributions | 213,260                                   | -  |
| Council HIS Plan contributions subsequent to the measurement date   | <u>39,441</u>                             | <u>-</u>                                 |
| Total   | <u>\$ 379,706</u>                         | <u>\$ 272,732</u>                        |

The deferred outflows of resources related to the HIS Plan, totaling \$39,441 resulting from Council contributions to the Plan subsequent to the measurement date, but before the end of the Council's reporting period, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024.

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

| Fiscal Year Ending<br>September 30: | <u>Amount</u> |
|-------------------------------------|---------------|
| 2024                                | \$ 41,527     |
| 2025                                | 39,880        |
| 2026                                | 20,423        |
| 2027                                | (21,490)      |
| 2028                                | (13,391)      |
| Thereafter                          | 584           |

**Notes to the Financial Statements  
September 30, 2023**

**6. RETIREMENT PLANS-Florida Retirement System (Continued)**

Actuarial Assumptions – The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                     |                                      |
|---------------------|--------------------------------------|
| Inflation           | 2.40 %                               |
| Salary increases    | 3.25%, average, including inflation. |
| Municipal bond rate | 3.65%                                |

Mortality rates were based on the PUB-2010 with Projection Scale MP-2018 tables. The actuarial assumptions used in the July 1, 2023, valuation was based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

Discount Rate - The discount rate used to measure the total pension liability was 3.65%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate adopted by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Council's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Council's proportionate share of the net pension liability calculated using the discount rate of 3.65%, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current rate:

|  | 1% Decrease<br>(2.65%) | Current<br>Discount Rate<br>(3.65%) | 1% Increase<br>(4.65%) |
|--|------------------------|-------------------------------------|------------------------|
| Council's proportionate share of the net pension liability | \$ 3,495,986           | \$ 3,064,386                        | \$ 2,706,618           |

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

**Notes to the Financial Statements  
September 30, 2023**

**6. RETIREMENT PLANS-Florida Retirement System (Continued)**

Payables to the Pension Plan - At September 30, 2023, the Council reported a payable in the amount of \$1,482 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2023.

***Deferred Compensation Plan***

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

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

***General Information about the OPEB Plan***

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

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

Employees covered by the benefit terms- As of September 30, 2023, there are no retirees participating in the group health program, and eighty (81) active employees with health insurance coverage. There are five (5) active employees without coverage who are assumed not to elect retiree health coverage and do not generate GASB Statement No.75 liabilities.

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**

**Notes to the Financial Statements  
September 30, 2023**

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

***Total OPEB Liability***

The Council's total OPEB liability of \$46,716 was measured as of September 30, 2023, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs: The total OPEB liability in the September 30, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                        |                       |
|------------------------|-----------------------|
| Discount Rate:         | 4.63%                 |
| Healthcare Trend Rate  | 7.50%                 |
| Retiree's Cost Sharing | Borne by the retiree. |

The payroll growth assumption is based on the Florida Retirement Systems actuarial valuation as of July 1, 2022. Mortality rates used for healthy retirees were based on Pub 2010 General Employee Mortality Table, Headcount weighted, Fully Generational using scale MP-2021, while rates for Surviving Spouses were based on Pub 2010 Contingent Survivor Mortality Table, Headcount weighted, Fully Generational using scale MP-2021.

Changes in the Total OPEB Liability

|  | Total OPEB<br>Liability |
|--|-------------------------|
| Balance as at 9/30/2022                            | <u>\$ 42,231</u>        |
| Changes for the fiscal year:                       |                         |
| Service Cost                                       | 2,946                   |
| Interest   | 1,988                   |
| Differences between expected and actual experience | (1,294)                 |
| Changes in assumptions for other inputs            | 845                     |
| Benefit payments                                   | <u>-</u>                |
| Net changes  | <u>4,485</u>            |
| Balance at 9/30/2023                               | <u><u>\$ 46,716</u></u> |

**Notes to the Financial Statements  
September 30, 2023**

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

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

The following presents the total OPEB liability of the Council, as well as what the Council's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.63%), or one percentage higher (5.63%) than the current discount rate:

|                      | 1% Decrease<br>(3.63%) | Discount Rate<br>(4.63%) | 1% Increase<br>(5.63%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB Liability | \$49,563               | \$46,716                 | \$43,857               |

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

|                      | 1% Decrease<br>(6.50%) | Healthcare<br>Trend Rate<br>(7.50%) | 1% Increase<br>(8.50%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB Liability | \$41,218               | \$46,716                            | \$53,082               |

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB-For the fiscal year ended September 30, 2023; the Council recognized a decrease in OPEB expense of \$29,537. The Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Description:                                       |                                   |                                  |
| Differences between expected and actual experience | \$ -                              | \$ 15,740                        |
| Changes of assumptions or other inputs             | 1,688                             | 57,214                           |
| Total  | \$ 1,688                          | \$ 72,954                        |

**Notes to the Financial Statements  
September 30, 2023**

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

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

| Fiscal Year Ending<br>September 30: | <u>Amount</u> |
|-------------------------------------|---------------|
| 2024                                | \$ (34,464)   |
| 2025                                | (19,944)      |
| 2026                                | (16,769)      |
| 2027                                | (89)          |
| Thereafter                          | -             |

**8. INSURANCE ACTIVITIES**

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

**Notes to the Financial Statements  
September 30, 2023**

**9. LEASES PAYABLE**

For the year ended September 30, 2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement established a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Previously, the Council, entered into a 29-month lease as Lessee for the use of Postage Meter. An initial lease liability was recorded in the amount of \$5,282. As of September 30, 2023, the value of the lease liability is \$1,111. The Council is required to make quarterly fixed payments of \$530. The lease has an interest rate of 0.3280%. The Equipment estimated useful life was 29 months as of the contract commencement. The value of the right to use asset as of September 30, 2023, of \$5,282 with accumulated amortization of \$4,331 is included with Equipment on the Lease Class activities table found below.

Previously, the Council entered into a 60-month lease as Lessee for the use of Toshiba E-Studio. An initial lease liability was recorded in the amount of \$48,698. As of September 30, 2023, the value of the lease liability is \$29,427. The Council is required to make monthly fixed payments of \$826. The lease has an interest rate of 0.7120%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of September 30, 2023, of \$48,698 with accumulated amortization of \$19,479 is included with Equipment on the Lease Class activities table found below.

Amount of Lease Assets by Major Class of Underlying Asset

| Asset Class | As of Fiscal Year-end |                             |
|-------------|-----------------------|-----------------------------|
|             | Lease Asset<br>Value  | Accumulated<br>Amortization |
| Equipment   | \$ 53,980             | \$ 23,810                   |

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Notes to the Financial Statements  
September 30, 2023****9. LEASES PAYABLE (Continued)**

At September 30, 2023, the lease principal and interest requirements to maturity are:

| Fiscal Year | Governmental Activities |                      |                   |
|-------------|-------------------------|----------------------|-------------------|
|             | Principal<br>Payments   | Interest<br>Payments | Total<br>Payments |
| 2024        | \$ 10,798               | \$ 179               | \$ 10,977         |
| 2025        | 9,809                   | 108                  | 9,917             |
| 2026        | 9,931                   | 38                   | 9,969             |
| Total       | <u>\$ 30,538</u>        | <u>\$ 325</u>        | <u>\$ 30,863</u>  |

The Council is prohibited by statute from having debt, therefore lease and subscription principal and interest payments are reported in the financials as lease and subscription expenditures and not debt service expenditures.

**10. SUBSCRIPTIONS PAYABLE**

For the year ended September 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

Previously, the Council, entered into a 48-month subscription for the use of OpenGov Software. An initial subscription liability was recorded in the amount of \$339,541. As of September 30, 2023, the value of the subscription liability is \$250,341. The Council is required to make annual fixed payments of \$89,200. The subscription has an interest rate of 3.4090%. The value of the right to use asset as of September 30, 2023, of \$339,541 with accumulated amortization of \$84,885 is included with Software on the Subscription Class activities table found below.



## CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

Notes to the Financial Statements  
September 30, 2023

## 10. SUBSCRIPTIONS PAYABLE (Continued)

Amount of Subscription Assets by Major Class of Underlying Asset

| Asset Class | As of Fiscal Year-end |              |
|-------------|-----------------------|--------------|
|             | Lease Asset           | Accumulated  |
|             | Value                 | Amortization |
| Software    | \$ 339,541            | \$ 84,885    |

At September 30, 2023, the subscription principal and interest requirements to maturity are:

| Fiscal Year | Governmental Activities |           |            |
|-------------|-------------------------|-----------|------------|
|             | Principal               | Interest  | Total      |
|             | Payments                | Payments  | Payments   |
| 2024        | \$ 80,666               | \$ 8,534  | \$ 89,200  |
| 2025        | 83,416                  | 5,784     | 89,200     |
| 2026        | 86,259                  | 2,941     | 89,200     |
| Total       | \$ 250,341              | \$ 17,259 | \$ 267,600 |

The Council is prohibited by statute from having debt, therefore subscription software principal and interest payments are reported in the financials as subscription software expenditures and not debt service expenditures.

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**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**

**Notes to the Financial Statements**  
**September 30, 2023**

**11. LONG-TERM LIABILITIES**

The following is a summary of long-term liabilities for fiscal year ended September 30, 2023:

|                           | Beginning                         |                     |                     | Ending                   |                               |
|---------------------------|-----------------------------------|---------------------|---------------------|--------------------------|-------------------------------|
|                           | Balance<br>1, 2022<br>As Restated | Oct<br>Increases    | Decreases           | Balance<br>Sept 30, 2023 | Amount Due<br>Within One Year |
| Absences:                 |                                   |                     |                     |                          |                               |
| Vacation Accrual          | \$ 1,251,592                      | \$ 469,262          | \$ (572,883)        | \$ 1,147,971             | \$ 114,797                    |
| Sick Leave Accrual        | 232,719                           | 317,691             | (185,046)           | 365,364                  | 36,536                        |
| Net Pension Liability:    |                                   |                     |                     |                          |                               |
| Florida Retirement System | 6,712,273                         | 328,461             | -                   | 7,040,734                | -                             |
| Health Insurance Subsidy  | 1,991,527                         | 1,072,859           | -                   | 3,064,386                | -                             |
| OPEB Liability            | 42,231                            | 4,485               | -                   | 46,716                   | -                             |
| Lease                     | 42,270                            | -                   | (11,732)            | 30,538                   | 10,798                        |
| Subscription              | 464,681                           | -                   | (214,340)           | 250,341                  | 80,666                        |
| <b>Total</b>              | <b>\$ 10,737,293</b>              | <b>\$ 2,192,758</b> | <b>\$ (984,001)</b> | <b>\$ 11,946,050</b>     | <b>\$ 242,797</b>             |

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

**12. COMMITMENTS AND CONTINGENCIES**

Encumbrances:

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2023, that will be re-appropriated in the subsequent year are as follows:

|  |                     |
|--|---------------------|
| General Fund:                            |                     |
| Program Services                         | \$ 469,683          |
| Program Support & General Administration | 125,081             |
| Facilities Reserves                      | 239,430             |
| Capital Outlay                           | 401,000             |
| <b>Total Encumbrances</b>                | <b>\$ 1,235,194</b> |

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**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**

**Notes to the Financial Statements  
September 30, 2023**

**13. FUND BALANCE**

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

- *Nonspendable Fund Balance* – amounts that are not in spendable form or are legally or contractually required to be maintained intact. The Council classified \$179,981 of prepaid items as Nonspendable since these items are not expected to be converted to cash.
- *Restricted Fund Balance* – amounts constrained to specific purposes by external providers (such as grantors) or imposed by law through constitutional provisions, or by enabling legislation. The Council does not have any Restricted Fund Balance.
- *Committed Fund Balance* – amounts constrained to specific purposes by the formal action of the Council itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Council Members take the same highest-level action (i.e., Resolution or Issue Paper) to remove or change the constraint. The Council committed \$6,000,000 to Fund Balance for Building Fund to prepare for future growth.
- *Assigned Fund Balance* – amounts the Council intends to use for a specific purpose but are neither restricted nor committed. Intent can be expressed by the Council Members or by an official to which the Council Members delegates authority. The Council has a total of \$20,235,194 in Assigned Fund Balance, which can be further classified as follows: (1) Assigned for Outstanding Encumbrances, \$1,235,194, and (2) Assigned for Subsequent Year's Budget, \$19,000,000. This latter amount was assigned for programmatic purposes and appropriated in the subsequent year's budget to offset additional ad valorem taxes.
- *Unassigned Fund Balance* – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. The Council adopted a minimum fund balance policy to be used for unanticipated emergencies of approximately 17% or two months of the annual operating budget. This minimum fund amount of Unassigned Fund Balance for the FY23 is \$21,457,084. The remaining Unassigned Fund Balance is \$31,407,782.

**14. GRANT FUNDING**

Funding agreements for grants are executed on an annual basis. The release of funds is subject to terms and deliverables agreed upon with the grantor agencies. As of September 30, 2023, the Council reported \$888,149 of grant funding which includes \$492,908 of State matching funds from the State of Florida Department of Children and Families, and \$395,241 Promise Neighborhood federal pass-through grant with Broward College. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

# REQUIRED SUPPLEMENTARY SECTION



**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**

**General Fund**

**Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget to Actual Comparison  
Fiscal Year Ended September 30, 2023**

|   | <b>Original<br/>Budget</b> | <b>DRAFT<br/>Final Budget</b> | <b>Actual</b>      | <b>Variance with<br/>Final Budget</b> |
|---|----------------------------|-------------------------------|--------------------|---------------------------------------|
| <b>Revenues:</b>                          |                            |                               |                    |                                       |
| Ad Valorem Taxes                          | \$ 105,489,302             | \$ 105,489,302                | \$ 105,403,582     | \$ (85,720)                           |
| Grant Funding                             | 1,030,000                  | 1,305,580                     | 888,149            | (417,431)                             |
| Investment Earnings (Loss)                | 250,000                    | 250,000                       | 5,130,695          | 4,880,695                             |
| Miscellaneous Local                       | 1,619,337                  | 1,700,815                     | 1,716,690          | 15,875                                |
| <b>Total Revenues</b>                     | <b>108,388,639</b>         | <b>108,745,697</b>            | <b>113,139,116</b> | <b>4,393,419</b>                      |
| <b>Expenditures:</b>                      |                            |                               |                    |                                       |
| <b>Program Services and Support:</b>      |                            |                               |                    |                                       |
| Program Services                          | 108,398,855                | 109,283,342                   | 89,202,515         | 20,080,827                            |
| Monitoring/Outcome Materials              | 195,500                    | 195,500                       | 117,734            | 77,766                                |
| Employee Salaries and Benefits            | 8,604,471                  | 8,649,471                     | 7,697,083          | 952,388                               |
| Other Consultants                         | 15,000                     | 15,000                        | 3,145              | 11,855                                |
| Material and Supplies                     | 10,200                     | 10,200                        | 4,898              | 5,302                                 |
| Printing and Advertising                  | 11,000                     | 11,000                        | 9,401              | 1,599                                 |
| Software Maintenance                      | 123,370                    | 123,370                       | 94,338             | 29,032                                |
| Travel and Other Expenditures             | 144,363                    | 144,363                       | 68,918             | 75,445                                |
| <b>Total Program Services and Support</b> | <b>117,502,759</b>         | <b>118,432,246</b>            | <b>97,198,032</b>  | <b>21,234,214</b>                     |
| <b>General Administration:</b>            |                            |                               |                    |                                       |
| Employee Salaries and Benefits            | 3,603,010                  | 3,603,010                     | 3,299,278          | 303,732                               |
| Legal Fees                                | 40,000                     | 40,000                        | 32,190             | 7,810                                 |
| Auditors and Other Consultants            | 119,000                    | 214,594                       | 43,207             | 171,387                               |
| Materials and Supplies                    | 65,248                     | 65,248                        | 20,448             | 44,800                                |
| Printing and Advertising                  | 21,200                     | 21,200                        | 3,751              | 17,449                                |
| Other General Administration              | 684,379                    | 650,659                       | 286,376            | 364,283                               |
| Telecommunications                        | 53,670                     | 53,670                        | 39,589             | 14,081                                |
| Travel and Other Expenditures             | 324,027                    | 300,527                       | 144,290            | 156,237                               |
| Tax Collection Fees                       | 638,090                    | 672,416                       | 654,818            | 17,598                                |
| Community Redevelopment Area Fees         | 3,006,756                  | 3,011,756                     | 2,993,931          | 17,825                                |
| <b>Total General Administration</b>       | <b>8,555,380</b>           | <b>8,633,080</b>              | <b>7,517,878</b>   | <b>1,115,202</b>                      |
| <b>Capital Outlay:</b>                    |                            |                               |                    |                                       |
| Computer Hardware/Software                | 150,000                    | 368,831                       | 58,946             | 309,885                               |
| Furniture/ Equipment                      | 10,000                     | 159,591                       | 68,305             | 91,286                                |
| Remodeling/Renovations                    | -                          | 3,500                         | 3,500              | -                                     |
| <b>Total Capital Outlay</b>               | <b>160,000</b>             | <b>531,922</b>                | <b>130,751</b>     | <b>401,171</b>                        |

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**

**General Fund**

**Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget to Actual Comparison  
Fiscal Year Ended September 30, 2023, (Continued)**

|   | <b>Original<br/>Budget</b> | <b>DRAFT<br/>Final Budget</b> | <b>Actual</b>        | <b>Variance with<br/>Final Budget</b> |
|---|----------------------------|-------------------------------|----------------------|---------------------------------------|
| <b>Lease and Subscription Software Expenditures:</b>      |                            |                               |                      |                                       |
| Lease Principal Payment                                   | -                          | 23,100                        | 11,732               | 11,368                                |
| Lease Interest Payment                                    | -                          | 400                           | 255                  | 145                                   |
| Subscription Software Principal Payment                   | -                          | 214,340                       | 214,340              | -                                     |
| Subscription Software Interest Payment                    | -                          | 1,960                         | 1,960                | -                                     |
| <b>Total Lease and Subscription Software Expenditures</b> | <b>-</b>                   | <b>239,800</b>                | <b>228,287</b>       | <b>11,513</b>                         |
| <b>Total Expenditures</b>                                 | <b>126,218,139</b>         | <b>127,837,048</b>            | <b>105,074,948</b>   | <b>22,762,100</b>                     |
| <br>  |                            |                               |                      |                                       |
| <b>Excess (Deficiency) of Revenues Over Expenditures</b>  | <b>\$ (17,829,500)</b>     | <b>\$ (19,091,351)</b>        | <b>8,064,168</b>     | <b>\$ 27,155,519</b>                  |
| <br>  |                            |                               |                      |                                       |
| <b>Beginning Fund Balance</b>                             |                            |                               | <b>71,215,873</b>    |                                       |
| <b>Ending Fund Balance</b>                                |                            |                               | <b>\$ 79,280,041</b> |                                       |

**Notes to Schedule:**

Note 1 : An annual appropriated budget is adopted for the General Fund on a basis consistent with accounting principles generally accepted in the United States (GAAP). The Council follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Program budget discussions are held by the Council in May. The total tentative budget is approved by the Council in June.
- b) The Council submits a tentative budget and millage rate to the Broward County Commission by July 1st.
- c) The Council holds two public hearings in September as required under the Truth in Millage (TRIM) Act to obtain taxpayers comments.
- d) Prior to October 1, usually at the last TRIM hearing held in September, a budget is legally enacted through the passage of a resolution.
- e) The Council, by approval of an Issue Paper, may make supplemental appropriations during the year.
- f) The level of control at which expenditures may not legally exceed the budget is at the function level. Transfer of appropriations between functions require Council approval.
- g) Appropriations in all budgeted funds lapse at fiscal year-end. Encumbered amounts are re-appropriated in the following year's budget. Encumbrances are commitments related to unperformed (executory) contracts or services.
- h) Budgeted amounts are as originally adopted or as amended.

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**  
**Schedule of Proportionate Share of the Council's Net Pension Liability**  
**Florida Retirement System - Pension Plan\***  
**Last Ten Years**

|   | 2023          | 2022          | 2021          | 2020          |
|---|---------------|---------------|---------------|---------------|
| Children's Services Council of Broward County's proportion of the net pension liability   | 0.0176694940% | 0.0180398486% | 0.0170273950% | 0.0151395620% |
| Children's Services Council of Broward County's proportionate share of the net pension liability  | \$ 7,040,734  | \$ 6,712,273  | \$ 1,286,226  | \$ 6,561,709  |
| Children's Services Council of Broward County's covered payroll   | \$ 7,644,474  | \$ 6,852,359  | \$ 6,435,890  | \$ 5,902,575  |
| Children's Services Council of Broward County's proportionate share of the net pension liability as a percentage of its covered payroll | 92.10%        | 97.96%        | 19.99%        | 111.17%       |
| Plan fiduciary net position as a percentage of the total pension liability  | 82.38%        | 82.89%        | 96.40%        | 78.85%        |

**Notes to Schedule:**

- \* The amounts presented for each fiscal year were determined as of 6/30.
- \*\* The Council's NPL at 2017 increased by \$1,327, due to implementation of GASB 75.
- \*\*\* The Council's NPL at 2019 decreased by \$137, due to restatement as a result of a correction.

| 2019***       | 2018          | 2017**        | 2016          | 2015         | 2014         |
|---------------|---------------|---------------|---------------|--------------|--------------|
| 0.0146091890% | 0.0141696770% | 0.0130672500% | 0.0113309120% | 0.011379789% | 0.010583942% |
| \$ 5,031,064  | \$ 4,267,980  | \$ 3,866,532  | \$ 2,861,064  | \$ 1,469,852 | \$ 645,776   |
| \$ 5,599,625  | \$ 5,261,889  | \$ 4,911,095  | \$ 4,331,964  | \$ 4,008,874 | \$ 3,599,507 |
| 89.85%        | 81.11%        | 78.73%        | 66.05%        | 36.66%       | 17.94%       |
| 82.61%        | 84.26%        | 83.89%        | 84.88%        | 92.00%       | 96.09%       |

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**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**  
**Schedule of the Council's Contributions**  
**Florida Retirement System - Pension Plan\***  
**Last Ten Years**

|  | 2023         | 2022         | 2021         | 2020         |
|--|--------------|--------------|--------------|--------------|
| Contractually required contribution                                  | \$ 1,201,081 | \$ 972,332   | \$ 862,779   | \$ 699,118   |
| Contributions in relation to the contractually required contribution | (1,201,081)  | (972,332)    | (862,779)    | (699,118)    |
| Contribution deficiency (excess)                                     | \$ -         | \$ -         | \$ -         | \$ -         |
| Children's Services Council of Broward County's covered payroll      | \$ 7,845,261 | \$ 6,931,431 | \$ 6,605,554 | \$ 6,009,485 |
| Contribution as a percentage of covered payroll                      | 15.31%       | 14.03%       | 13.06%       | 11.63%       |

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**Notes to Schedule:**

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

| 2019 |           | 2018 |           | 2017 |           | 2016 |           | 2015 |           | 2014 |           |
|------|-----------|------|-----------|------|-----------|------|-----------|------|-----------|------|-----------|
| \$   | 620,901   | \$   | 565,166   | \$   | 509,611   | \$   | 432,047   | \$   | 383,964   | \$   | 331,683   |
|      | (620,901) |      | (565,166) |      | (509,611) |      | (432,047) |      | (383,964) |      | (331,683) |
| \$   | -         | \$   | -         | \$   | -         | \$   | -         | \$   | -         | \$   | -         |
| \$   | 5,651,279 | \$   | 5,347,394 | \$   | 5,047,763 | \$   | 4,482,724 | \$   | 4,060,069 | \$   | 3,634,125 |
|      | 10.99%    |      | 10.57%    |      | 10.10%    |      | 9.64%     |      | 9.46%     |      | 9.13%     |

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

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|   | 2023         | 2022          | 2021          | 2020          |
|---|--------------|---------------|---------------|---------------|
| Children's Services Council of Broward County's proportion of the net pension liability   | 0.019295519% | 0.0188028973% | 0.0181799700% | 0.0170067690% |
| Children's Services Council of Broward County's proportionate share of the net pension liability  | \$ 3,064,386 | \$ 1,991,527  | \$ 2,230,047  | \$ 2,076,499  |
| Children's Services Council of Broward County's covered payroll   | \$ 7,644,474 | \$ 6,852,359  | \$ 6,435,890  | \$ 5,902,575  |
| Children's Services Council of Broward County's proportionate share of the net pension liability as a percentage of its covered payroll | 40.09%       | 29.06%        | 34.65%        | 35.18%        |
| Plan fiduciary net position as a percentage of the total pension liability  | 4.12%        | 4.81%         | 3.56%         | 3.00%         |

**Notes to Schedule:**

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

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| 2019          | 2018          | 2017          | 2016          | 2015          | 2014         |
|---------------|---------------|---------------|---------------|---------------|--------------|
| 0.0167376030% | 0.0161103680% | 0.0154074380% | 0.0140325690% | 0.0132139230% | 0.012114771% |
| \$ 1,872,770  | \$ 1,705,139  | \$ 1,647,434  | \$ 1,635,438  | \$ 1,347,612  | \$ 1,132,761 |
| \$ 5,599,625  | \$ 5,261,889  | \$ 4,911,095  | \$ 4,331,964  | \$ 4,008,874  | \$ 3,599,507 |
| 33.44%        | 32.41%        | 33.55%        | 37.75%        | 33.62%        | 31.47%       |
| 2.63%         | 2.15%         | 1.64%         | 0.97%         | 0.50%         | 0.99%        |

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**  
**Schedule of the Council's Contributions**  
**Florida Retirement System-Health Insurance Subsidy Program\***  
**Last Ten Years**

|  | 2023         | 2022         | 2021         | 2020         |
|--|--------------|--------------|--------------|--------------|
| Contractually required contribution                                  | \$ 15,536    | \$ 12,359    | \$ 10,991    | \$ 8,720     |
| Contributions in relation to the contractually required contribution | (15,536)     | (12,359)     | (10,991)     | (8,720)      |
| Contribution deficiency (excess)                                     | \$ -         | \$ -         | \$ -         | \$ -         |
| Children's Services Council of Broward County's covered payroll      | \$ 7,845,261 | \$ 6,931,431 | \$ 6,605,554 | \$ 6,009,485 |
| Contribution as a percentage of covered payroll                      | 0.20%        | 0.18%        | 0.17%        | 0.15%        |

**Notes to Schedule:**

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

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|    | <b>2019</b> | <b>2018</b>  | <b>2017</b>  | <b>2016</b>  | <b>2015</b>  | <b>2014</b>  |
|----|-------------|--------------|--------------|--------------|--------------|--------------|
| \$ | 7,635       | \$ 7,049     | \$ 5,708     | \$ 4,756     | \$ 3,494     | \$ 3,666     |
|    | (7,635)     | (7,049)      | (5,708)      | (4,756)      | (3,494)      | (3,666)      |
| \$ | -           | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| \$ | 5,651,279   | \$ 5,347,394 | \$ 5,047,763 | \$ 4,482,724 | \$ 4,060,069 | \$ 3,634,125 |
|    | 0.14%       | 0.13%        | 0.11%        | 0.11%        | 0.09%        | 0.10%        |

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**Fiscal Year Ended September 30, 2023**

|  | 2023         | 2022         | 2021         | 2020         |
|--|--------------|--------------|--------------|--------------|
| <b>Total OPEB Liability:</b>   |              |              |              |              |
| Service cost   | \$ 2,946     | \$ 3,898     | \$ 16,638    | \$ 15,691    |
| Interest   | 1,988        | 1,081        | 3,240        | 3,255        |
| Differences between expected and actual experience                       | (1,294)      | (3,590)      | (1,800)      | (2,012)      |
| Changes in assumptions   | 845          | (5,527)      | (87,329)     | 1,851        |
| Benefit payments   | -            | -            | (4,314)      | (3,023)      |
| Net Change in total OPEB liability                                       | 4,485        | (4,138)      | (73,565)     | 15,762       |
| Total OPEB liability- beginning  | 42,231       | 46,369       | 119,934      | 104,172      |
| Total OPEB liability- ending   | \$ 46,716    | \$ 42,231    | \$ 46,369    | \$ 119,934   |
| Covered employee payroll   | \$ 7,632,504 | \$ 6,998,835 | \$ 6,450,612 | \$ 6,042,702 |
| <br>Total OPEB liability as a percentage of covered-<br>employee payroll | <br>0.61%    | <br>0.60%    | <br>0.72%    | <br>1.98%    |

**Notes to Schedule:**

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

|      |       |
|------|-------|
| 2023 | 4.63% |
| 2022 | 4.40% |
| 2021 | 2.15% |
| 2020 | 2.41% |
| 2019 | 2.75% |
| 2018 | 3.83% |
| 2017 | 3.50% |

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

Note 2: Plan Assets: No assets are accumulated in a trust that meets all of the criteria of GASB No. 75, paragraph 4, to pay benefits.

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|    | <u>2019</u>    | <u>2018</u>       | <u>2017</u>      |
|----|----------------|-------------------|------------------|
| \$ | 13,883         | \$ 14,183         | \$ 28,867        |
|    | 4,654          | 3,887             | 5,505            |
|    | (23,396)       | (3,751)           | (30,071)         |
|    | 1,387          | (1,980)           | (79,636)         |
|    | -              | (3,095)           | (7,611)          |
|    | (3,472)        | 9,244             | (82,946)         |
|    | 107,644        | 98,400            | 181,346          |
| \$ | <u>104,172</u> | \$ <u>107,644</u> | \$ <u>98,400</u> |
| \$ | 5,664,873      | \$ 5,117,551      | \$ 4,987,866     |
|    | 1.84%          | 2.10%             | 1.97%            |





**Children's Services Council**  
of Broward County  
Our Focus is Our Children.

# STATISTICAL SECTION





**Children's Services Council**  
of Broward County  
Our Focus is Our Children.

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**

**Annual Comprehensive Financial Report  
For the Fiscal Year Ended September 30, 2023**

**STATISTICAL SECTION**

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

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**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Net Position by Component****Last Ten Fiscal Years**

(accrual basis of accounting)

| Fiscal Year | Net Investment in<br>Capital Assets | <u>Governmental Activities</u> |              | Total primary<br>government net<br>position |
|-------------|-------------------------------------|--------------------------------|--------------|---|
|             |                                     | Restricted                     | Unrestricted |   |
| 2014        | 7,998,742                           | -                              | 12,582,381   | 20,581,123                                  |
| 2015        | 7,755,161                           | -                              | 10,030,009   | 17,785,170                                  |
| 2016        | 7,420,106                           | -                              | 10,527,935   | 17,948,041                                  |
| 2017        | 7,284,713                           | -                              | 12,130,721   | 19,415,434                                  |
| 2018        | 7,510,054                           | -                              | 13,648,440   | 21,158,494                                  |
| 2019        | 7,335,452                           | -                              | 19,157,118   | 26,492,570                                  |
| 2020        | 7,004,338                           | -                              | 34,230,841   | 41,235,179                                  |
| 2021        | 6,665,223                           | -                              | 54,698,032   | 61,363,255                                  |
| 2022        | 6,811,259                           | -                              | 63,572,204   | 70,383,463                                  |
| 2023        | 6,337,441                           | -                              | 69,745,350   | 76,082,791                                  |



**Children's Services Council**  
of Broward County  
Our Focus is Our Children.

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Changes in Net Position****Last Ten Fiscal Years**

(accrual basis of accounting)

|   | Fiscal Year   |               |               |               |
|---|---------------|---------------|---------------|---------------|
|   | 2014          | 2015          | 2016          | 2017          |
| <b>Expenses</b>   |               |               |               |               |
| Governmental activities:                                    |               |               |               |               |
| Program Services:   |               |               |               |               |
| Program Services  | \$ 56,159,891 | \$ 58,931,114 | \$ 61,201,151 | \$ 65,126,956 |
| Program Support   | 3,610,414     | 4,263,718     | 6,178,792     | 6,460,890     |
| Total Program Services                                      | 59,770,305    | 63,194,832    | 67,379,943    | 71,587,846    |
| General Administration:                                     |               |               |               |               |
| Personal Services   | 1,588,115     | 1,704,943     | 2,004,709     | 2,341,237     |
| Materials and Services                                      | 1,042,529     | 945,109       | 937,488       | 928,985       |
| Community Redevelopment<br>and Tax Collector Fees           | 1,856,081     | 2,043,045     | 2,393,301     | 2,782,040     |
| Total General Administration                                | 4,486,725     | 4,693,097     | 5,335,498     | 6,052,262     |
| Total primary government expenses                           | \$ 64,257,030 | \$ 67,887,929 | \$ 72,715,441 | \$ 77,640,108 |
| <b>Program Revenues</b>                                     |               |               |               |               |
| Governmental activities:                                    |               |               |               |               |
| Grant Funding, Restricted                                   | \$ 710,891    | \$ 1,084,831  | \$ 1,362,375  | \$ 1,209,290  |
| Total primary government program revenue                    | \$ 710,891    | \$ 1,084,831  | \$ 1,362,375  | \$ 1,209,290  |
| <b>Net (Expense)/Revenue</b>                                |               |               |               |               |
| Total primary government net expense                        | \$ 63,546,139 | \$ 66,803,098 | \$ 71,353,066 | \$ 76,430,818 |
| <b>General Revenues &amp; Other Changes in Net Position</b> |               |               |               |               |
| Governmental activities:                                    |               |               |               |               |
| Property Taxes  | \$ 61,362,297 | \$ 65,140,776 | \$ 70,246,887 | \$ 75,990,468 |
| Investment Earnings (Loss)                                  | 16,012        | 90,344        | 155,748       | 419,042       |
| Grant Funding, Unrestricted                                 | 391,872       | 181,858       | 261,131       | 189,655       |
| Miscellaneous Local   | 970,135       | 859,668       | 852,171       | 1,199,909     |
| Total primary government                                    | \$ 62,740,316 | \$ 66,272,646 | \$ 71,515,937 | \$ 77,799,074 |
| <b>Changes in Net Position</b>                              |               |               |               |               |
| Total primary government                                    | \$ (805,823)  | \$ (530,452)  | \$ 162,871    | \$ 1,368,256  |

| Fiscal Year          |                      |                      |                       |                       |                       |
|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| <u>2018</u>          | <u>2019</u>          | <u>2020</u>          | <u>2021</u>           | <u>2022</u>           | <u>2023</u>           |
| \$ 71,309,031        | \$ 72,311,772        | \$ 68,686,479        | \$ 67,915,030         | \$ 78,501,492         | \$ 89,320,249         |
| 6,378,356            | 6,451,480            | 6,850,451            | 6,410,775             | 7,159,561             | 9,282,436             |
| <u>77,687,387</u>    | <u>78,763,252</u>    | <u>75,536,930</u>    | <u>74,325,805</u>     | <u>85,661,053</u>     | <u>98,602,685</u>     |
| 2,547,538            | 2,873,911            | 3,252,753            | 2,667,846             | 3,307,038             | 3,939,470             |
| 948,319              | 1,077,493            | 1,112,279            | 984,310               | 1,315,479             | 1,248,884             |
| 3,016,175            | 2,875,492            | 3,518,995            | 3,241,298             | 3,272,531             | 3,648,749             |
| 6,512,032            | 6,826,896            | 7,884,027            | 6,893,454             | 7,895,048             | 8,837,103             |
| <u>\$ 84,199,419</u> | <u>\$ 85,590,148</u> | <u>\$ 83,420,957</u> | <u>\$ 81,219,259</u>  | <u>\$ 93,556,101</u>  | <u>\$ 107,439,788</u> |
| \$ 1,112,377         | \$ -                 | \$ -                 | \$ -                  | \$ -                  | \$ -                  |
| <u>\$ 1,112,377</u>  | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>           |
| <u>\$ 83,087,042</u> | <u>\$ 85,590,148</u> | <u>\$ 83,420,957</u> | <u>\$ 81,219,259</u>  | <u>\$ 93,556,101</u>  | <u>\$ 107,439,788</u> |
| \$ 82,432,099        | \$ 88,063,546        | \$ 93,181,490        | \$ 98,310,585         | \$ 99,302,231         | \$ 105,403,582        |
| 857,633              | 1,388,744            | 955,209              | 116,029               | (10,338)              | 5,130,695             |
| 253,591              | 152,956              | 2,794,195            | 1,323,315             | 1,495,351             | 888,149               |
| 1,288,106            | 1,318,978            | 1,232,535            | 1,597,406             | 1,789,065             | 1,716,690             |
| <u>\$ 84,831,429</u> | <u>\$ 90,924,224</u> | <u>\$ 98,163,429</u> | <u>\$ 101,347,335</u> | <u>\$ 102,576,309</u> | <u>\$ 113,139,116</u> |
| <u>\$ 1,744,387</u>  | <u>\$ 5,334,076</u>  | <u>\$ 14,742,472</u> | <u>\$ 20,128,076</u>  | <u>\$ 9,020,208</u>   | <u>\$ 5,699,328</u>   |



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

(modified accrual basis of accounting)

**General Fund**

| Fiscal Year | Nonspendable Fund Balance | Committed Fund Balance | Assigned Fund Balance | Unassigned Fund Balance | Total General Fund |
|-------------|---------------------------|------------------------|-----------------------|-------------------------|--------------------|
| 2014        | 76,899                    | -                      | 4,291,669             | 8,957,185               | 13,325,753         |
| 2015        | 88,763                    | -                      | 4,233,858             | 8,815,025               | 13,137,646         |
| 2016        | 86,691                    | -                      | 5,507,406             | 8,506,123               | 14,100,220         |
| 2017        | 187,407                   | -                      | 5,470,758             | 10,533,309              | 16,191,474         |
| 2018        | 225,777                   | -                      | 6,815,653             | 11,388,991              | 18,430,421         |
| 2019        | 228,307                   | -                      | 7,824,448             | 17,022,631              | 25,075,386         |
| 2020        | 185,322                   | 3,000,000              | 10,293,454            | 27,991,534              | 41,470,310         |
| 2021        | 247,417                   | 3,000,000              | 19,414,037            | 38,920,384              | 61,581,838         |
| 2022        | 217,601                   | 3,000,000              | 19,366,931            | 48,631,341              | 71,215,873         |
| 2023        | 179,981                   | 6,000,000              | 20,235,194            | 52,864,866              | 79,280,041         |

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



**Children's Services Council**  
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**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY****Changes in Fund Balance, Governmental Funds****Last Ten Fiscal Years**

(modified accrual basis of accounting)

|  | Fiscal Year   |               |               |               |
|--|---------------|---------------|---------------|---------------|
|  | 2014          | 2015          | 2016          | 2017          |
| <b>Revenues</b>                            |               |               |               |               |
| Ad Valorem Taxes                           | \$ 61,362,297 | \$ 65,140,776 | \$ 70,246,887 | \$ 75,990,468 |
| Investment Earnings (Loss)                 | 1,102,763     | 1,266,689     | 1,623,506     | 1,398,945     |
| Miscellaneous Local                        | 16,012        | 90,344        | 155,748       | 419,042       |
| Grant Funding                              | 970,135       | 859,668       | 852,171       | 1,199,909     |
| Total revenues                             | 63,451,207    | 67,357,477    | 72,878,312    | 79,008,364    |
| <b>Expenditures</b>                        |               |               |               |               |
| Program Services and Support               | 59,683,292    | 63,077,687    | 67,032,175    | 71,271,782    |
| General Administration                     | 4,087,449     | 4,289,213     | 4,759,810     | 5,426,467     |
| Capital Outlay                             | 215,279       | 178,684       | 123,753       | 218,861       |
| Lease & Subscription Software Expenditures | -             | -             | -             | -             |
| Total expenditures                         | 63,986,020    | 67,545,584    | 71,915,738    | 76,917,110    |
| Net change in fund balance                 | \$ (534,813)  | \$ (188,107)  | \$ 962,574    | \$ 2,091,254  |

| Fiscal Year |             |               |               |               |               |                |
|-------------|-------------|---------------|---------------|---------------|---------------|----------------|
|             | <u>2018</u> | <u>2019</u>   | <u>2020</u>   | <u>2021</u>   | <u>2022</u>   | <u>2023</u>    |
| \$          | 82,432,099  | \$ 88,063,546 | \$ 93,181,490 | \$ 98,310,585 | \$ 99,302,231 | \$ 105,403,582 |
|             | 1,365,968   | 152,956       | 955,209       | 116,029       | (10,338)      | 888,149        |
|             | 857,633     | 1,388,744     | 1,232,535     | 1,597,406     | 1,789,065     | 5,130,695      |
|             | 1,288,106   | 1,318,978     | 2,794,195     | 1,323,315     | 1,495,351     | 1,716,690      |
|             | 85,943,806  | 90,924,224    | 98,163,429    | 101,347,335   | 102,576,309   | 113,139,116    |
|             | 77,678,631  | 78,030,206    | 74,777,670    | 74,468,614    | 85,354,774    | 97,198,032     |
|             | 5,859,409   | 5,951,181     | 6,848,621     | 6,643,357     | 7,049,801     | 7,517,878      |
|             | 166,819     | 297,872       | 142,214       | 123,836       | 525,661       | 130,751        |
|             | -           | -             | -             | -             | 12,038        | 228,287        |
|             | 83,704,859  | 84,279,259    | 81,768,505    | 81,235,807    | 92,942,274    | 105,074,948    |
| \$          | 2,238,947   | \$ 6,644,965  | \$ 16,394,924 | \$ 20,111,528 | \$ 9,634,035  | \$ 8,064,168   |

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**  
(In thousands of dollars)

| <u>Fiscal Year Ended</u><br><u>September 30,</u> | <u>Residential Property</u> | <u>Commercial Property</u> | <u>Industrial Property</u> | <u>Other (1)</u> |
|--|-----------------------------|----------------------------|----------------------------|------------------|
| 2014   | 122,019,311                 | 26,028,235                 | 8,669,350                  | 21,273,472       |
| 2015   | 140,193,523                 | 26,740,443                 | 9,285,153                  | 21,699,215       |
| 2016   | 156,152,081                 | 28,616,976                 | 9,397,569                  | 21,820,864       |
| 2017   | 170,153,348                 | 32,393,689                 | 10,119,028                 | 22,101,669       |
| 2018   | 183,297,977                 | 34,796,819                 | 11,300,024                 | 22,649,372       |
| 2019   | 196,493,535                 | 36,132,281                 | 12,280,938                 | 23,053,273       |
| 2020   | 208,284,424                 | 38,272,374                 | 13,500,718                 | 23,484,703       |
| 2021   | 215,913,345                 | 39,947,198                 | 13,968,801                 | 24,108,135       |
| 2022   | 229,202,878                 | 40,197,491                 | 15,094,570                 | 24,927,905       |
| 2023   | 276,269,785                 | 43,245,413                 | 16,677,630                 | 25,838,056       |

Source: Broward County Property Appraiser

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

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

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

| <u>Less: Tax-Exempt<br/>Property</u> | <u>Total Taxable<br/>Assessed Value</u> | <u>Total Council<br/>Tax Rate (2)</u> |
|--------------------------------------|---|---------------------------------------|
| 37,747,627                           | 140,242,741                             | 0.4882                                |
| 38,053,693                           | 159,864,641                             | 0.4882                                |
| 38,455,766                           | 177,531,724                             | 0.4882                                |
| 38,895,548                           | 195,872,186                             | 0.4882                                |
| 40,062,909                           | 211,981,283                             | 0.4882                                |
| 41,013,989                           | 226,946,038                             | 0.4882                                |
| 41,925,149                           | 241,617,070                             | 0.4882                                |
| 43,090,367                           | 250,847,112                             | 0.4882                                |
| 44,471,526                           | 264,951,318                             | 0.4699                                |
| 45,912,645                           | 316,118,239                             | 0.4500                                |

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

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

| Fiscal Year | Council           |                   |            | Overlapping Rates (a) |                                |   |
|-------------|-------------------|-------------------|------------|-----------------------|--------------------------------|---|
|             | Basic Direct Rate | Debt Service Rate | Total Rate | Broward County (a)    | School Board of Broward County | South Florida Water Management District |
| 2014        | 0.4882            | -                 | 0.4882     | 5.7230                | 7.4800                         | 0.4110                                  |
| 2015        | 0.4882            | -                 | 0.4882     | 5.7230                | 7.4380                         | 0.3842                                  |
| 2016        | 0.4882            | -                 | 0.4882     | 5.7230                | 7.2740                         | 0.3551                                  |
| 2017        | 0.4882            | -                 | 0.4882     | 5.6690                | 6.9063                         | 0.3307                                  |
| 2018        | 0.4882            | -                 | 0.4882     | 5.6690                | 6.5394                         | 0.3100                                  |
| 2019        | 0.4882            | -                 | 0.4882     | 5.6690                | 6.4029                         | 0.2936                                  |
| 2020        | 0.4882            | -                 | 0.4882     | 5.6690                | 6.7393                         | 0.2795                                  |
| 2021        | 0.4882            | -                 | 0.4882     | 5.6690                | 6.5052                         | 0.2675                                  |
| 2022        | 0.4699            | -                 | 0.4699     | 5.6690                | 6.4621                         | 0.2572                                  |
| 2023        | 0.4500            | -                 | 0.4500     | 5.6690                | 6.1383                         | 0.2301                                  |

Source: Broward County Revenue Collection Division

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

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



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

| <b>2014</b>                              |                     |             |  |
|--|---------------------|-------------|--|
| <b>Taxpayer</b>                          | <b>Taxes Levied</b> | <b>Rank</b> | <b>Percent to<br/>Aggregate<br/>Taxes Levied</b> |
| Florida Power & Light Company            | \$ 39,638           | 1           | 1.23%  |
| Sunrise Mills Ltd                        | 8,687               | 2           | 0.27%  |
| Bellsouth Telecommunications Inc.        | 7,399               | 3           | 0.23%  |
| Wal-Mart Stores East                     | 7,287               | 4           | 0.23%  |
| Diplomat Properties Ltd.                 | 5,700               | 5           | 0.18%  |
| Publix Supermarkets, Inc.                | 5,477               | 6           | 0.17%  |
| Gulfstream Park Racing Assoc Inc.        | 4,714               | 7           | 0.15%  |
| Arium Resort LLC                         | 3,697               | 8           | 0.12%  |
| Sunbeam Development Corp                 | 3,694               | 9           | 0.12%  |
| Sunbeam Properties Inc.                  | 3,502               | 10          | 0.11%  |
| City of Fort Lauderdale                  | -                   | -           | 0.00%  |
| NXRT Pembroke LLC.                       | -                   | -           | 0.00%  |
| Harbor Beach Property LLC                | -                   | -           | 0.00%  |
| MVHF LLC (BLDG) City of Hollywood (LAND) | -                   | -           | 0.00%  |
| PMG-Greybrook Riverfront LLC             | -                   | -           | 0.00%  |
| Total principal taxpayers                | <u>\$ 89,795</u>    |             | <u>2.80%</u>                                     |

Source: Broward County Revenue Collector

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 2023
 

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| <u>Taxes Levied</u> | <u>Rank</u> | <u>Percent to<br/>Aggregate Taxes<br/>Levied</u> |
|---------------------|-------------|--|
| \$ 87,180           | 1           | 1.56%  |
| 15,607              | 2           | 0.28%  |
| -                   | -           | 0.00%  |
| 5,303               | 7           | 0.09%  |
| 8,159               | 3           | 0.15%  |
| 6,263               | 4           | 0.11%  |
| -                   | -           | 0.00%  |
| -                   | -           | 0.00%  |
| -                   | -           | 0.00%  |
| -                   | -           | 0.00%  |
| 5,782               | 6           | 0.10%  |
| 6,148               | 5           | 0.11%  |
| 4,898               | 8           | 0.09%  |
| 4,527               | 9           | 0.08%  |
| 4,314               | 10          | 0.08%  |
| <u>\$ 148,181</u>   |             | <u>2.65%</u>                                     |

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

| Fiscal Year Ended<br>September 30, | Total Taxes Levied<br>for the Fiscal Year | Collected within the Fiscal Year of the<br>Levy |                       | Collections in<br>Subsequent Years |
|------------------------------------|---|---|-----------------------|------------------------------------|
|                                    |   | Amount  | Percentage of<br>Levy |                                    |
| 2014                               | \$ 64,738,551                             | \$ 61,482,355                                   | 95.0%                 | \$ (149,411)                       |
| 2015                               | 69,070,390                                | 65,274,088                                      | 94.5%                 | 71,553                             |
| 2016                               | 73,794,596                                | 70,095,209                                      | 95.0%                 | 85,362                             |
| 2017                               | 79,787,967                                | 75,867,788                                      | 95.1%                 | 52,786                             |
| 2018                               | 86,905,516                                | 82,347,473                                      | 94.8%                 | 68,902                             |
| 2019                               | 92,864,670                                | 87,982,591                                      | 94.7%                 | 48,353                             |
| 2020                               | 98,373,350                                | 93,116,487                                      | 94.7%                 | 122,562                            |
| 2021                               | 103,562,690                               | 98,131,640                                      | 94.8%                 | 75,964                             |
| 2022                               | 104,706,427                               | 99,186,314                                      | 94.7%                 | (34,542)                           |
| 2023                               | 111,041,372                               | 105,418,840                                     | 94.9%                 | -                                  |

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

| <b>Total Collections to Date</b> |                               |
|----------------------------------|-------------------------------|
| <b>Amount</b>                    | <b>Percentage of<br/>Levy</b> |
| \$ 61,332,944                    | 94.7%                         |
| 65,345,641                       | 94.6%                         |
| 70,180,571                       | 95.1%                         |
| 75,920,574                       | 95.2%                         |
| 82,416,374                       | 94.8%                         |
| 88,030,944                       | 94.8%                         |
| 93,239,049                       | 94.8%                         |
| 98,207,604                       | 94.8%                         |
| 99,151,772                       | 94.7%                         |
| 105,418,840                      | 94.9%                         |

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

| <b>Year</b> | <b>Population (1)</b> | <b>Personal Income (2)</b> | <b>Per Capita Personal Income (2)</b> | <b>Median Age (3)</b> |
|-------------|-----------------------|----------------------------|---------------------------------------|-----------------------|
| 2014        | 1,869,235             | \$ 80,905,552              | \$ 43,283                             | 39.9                  |
| 2015        | 1,896,425             | 85,167,498                 | 44,909                                | 40.0                  |
| 2016        | 1,909,632             | 89,572,271                 | 46,906                                | 40.0                  |
| 2017        | 1,935,878             | 94,239,376                 | 48,680                                | 40.1                  |
| 2018        | 1,951,260             | 98,087,689                 | 50,269                                | 40.5                  |
| 2019        | 1,952,778             | 102,145,579                | 52,308                                | 40.4                  |
| 2020        | 1,944,375             | 109,473,926                | 55,908                                | 40.5                  |
| 2021        | 1,930,983             | 124,458,321                | 64,453                                | 40.7                  |
| 2022        | 1,947,026             | 128,520,356                | 66,009                                | 41.6                  |
| 2023        | N/A                   | N/A                        | N/A                                   | N/A                   |

## Source:

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

N/A Not Available

\* Includes Charter Schools

| <b>* Public School<br/>Enrollment (4)</b> | <b>Unemployment Rate<br/>(5)</b> |
|---|----------------------------------|
| 262,563                                   | 5.20%                            |
| 265,401                                   | 4.70%                            |
| 268,836                                   | 4.60%                            |
| 271,105                                   | 3.30%                            |
| 271,517                                   | 2.80%                            |
| 270,550                                   | 2.80%                            |
| 267,970                                   | 7.80%                            |
| 260,715                                   | 4.40%                            |
| 256,021                                   | 2.60%                            |
| 254,384                                   | 3.00%                            |

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

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2014

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| <b>Employer (1)</b>         | <b>Employees (1)</b> | <b>Rank</b> | <b>Percentage of<br/>Total County<br/>Employment (2)</b> |
|-----------------------------|----------------------|-------------|--|
| Broward School Board*       | 31,880               | 1           | 3.1%   |
| Motorola                    | 11,459               | 2           | 1.1%   |
| Memorial Healthcare System* | 11,200               | 3           | 1.1%   |
| Broward County Government*  | 8,219                | 4           | 0.8%   |
| Aviation Sales Co           | 3,971                | 5           | 0.4%   |
| Pediatric Medical Group     | 3,783                | 6           | 0.4%   |
| American Express            | 3,200                | 7           | 0.3%   |
| City of Pembroke Pines      | 2,800                | 8           | 0.3%   |
| Autonation                  | 2,457                | 9           | 0.2%   |
| BrandsMart USA              | 2,400                | 10          | 0.2%   |
| <b>Total</b>                | <b>81,369</b>        |             | <b>7.9%</b>  |

\* Includes both full time and part time employees

Sources:

- (1) The Broward Alliance
- (2) Labor Market Statistics, Local Area Unemployment Statistics Program

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

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**2023**

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| <b>Employer (1)</b>         | <b>Employees (1)</b> | <b>Rank</b> | <b>Percentage of Total<br/>County Employment<br/>(2)</b> |
|-----------------------------|----------------------|-------------|--|
| Broward School Board*       | 27,781               | 1           | 1.4%   |
| Memorial Healthcare System* | 16,167               | 2           | 0.8%   |
| Broward County Government*  | 12,928               | 3           | 0.7%   |
| Broward Health*             | 8,769                | 4           | 0.5%   |
| FirstService Residential    | 4,869                | 5           | 0.3%   |
| HEICO                       | 4,532                | 6           | 0.2%   |
| Nova Southeastern           | 4,089                | 7           | 0.2%   |
| Broward College*            | 3,804                | 8           | 0.2%   |
| American Express            | 3,500                | 9           | 0.2%   |
| Spirit Airlines             | 2,734                | 10          | 0.1%   |
| <b>Total</b>                | <b>89,173</b>        |             | <b>4.6%</b>  |

\* Includes both full time and part time employees

Sources:

- (1) The Broward Alliance
- (2) Labor Market Statistics, Local Area Unemployment Statistics Program



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

| <b>Full-time Equivalent<br/>Employees as of<br/>September 30,</b> | <b>Program Support</b> | <b>General<br/>Administration</b> | <b>Grand Total</b> |
|---|------------------------|-----------------------------------|--------------------|
| 2014  | 45                     | 17                                | 62                 |
| 2015  | 48                     | 15                                | 63                 |
| 2016  | 49                     | 17                                | 66                 |
| 2017  | 51                     | 18                                | 69                 |
| 2018  | 56                     | 20                                | 76                 |
| 2019  | 55                     | 20                                | 75                 |
| 2020  | 57                     | 21                                | 78                 |
| 2021  | 57                     | 22                                | 79                 |
| 2022  | 61                     | 24                                | 85                 |
| 2023  | 66                     | 23                                | 89                 |

Source: Children's Services Council, Finance Administration

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

**Utilization**

| Contract/Program Services<br><br>Fiscal Year | Amount<br>Under<br>Contract | Actual<br>Expenditures | Under-<br>utilized (c) | Unallocated<br>(d) |
|--|-----------------------------|------------------------|------------------------|--------------------|
|  | (a)                         | (b)                    |                        |                    |
| 2014   | 100%                        | 96%                    | 4%                     | 0%                 |
| 2015   | 99%                         | 94%                    | 5%                     | 0%                 |
| 2016   | 100%                        | 94%                    | 6%                     | 0%                 |
| 2017   | 99%                         | 92%                    | 7%                     | 0%                 |
| 2018   | 100%                        | 93%                    | 7%                     | 0%                 |
| 2019   | 98%                         | 87%                    | 11%                    | 1%                 |
| 2020   | 100%                        | 76%                    | 24%                    | 0%                 |
| 2021   | 99%                         | 71%                    | 28%                    | 1%                 |
| 2022   | 97%                         | 75%                    | 22%                    | 3%                 |
| 2023   | 100%                        | 82%                    | 18%                    | 0%                 |

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

**General Fund Total Expenditures as a percentage of revenues**

| Fiscal Year | Budget (e) | Actual (f) |
|-------------|------------|------------|
| 2014        | 106%       | 101%       |
| 2015        | 106%       | 100%       |
| 2016        | 106%       | 99%        |
| 2017        | 107%       | 97%        |
| 2018        | 106%       | 97%        |
| 2019        | 108%       | 90%        |
| 2020        | 108%       | 83%        |
| 2021        | 110%       | 80%        |
| 2022        | 119%       | 91%        |
| 2023        | 118%       | 93%        |

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

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

|                                  | Fiscal Year          |                      |                      |                      |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                  | <u>2014</u>          | <u>2015</u>          | <u>2016</u>          | <u>2017</u>          |
|                                  | Budget               | Budget               | Budget               | Budget               |
| Family Strengthening             | \$ 12,342,529        | \$ 13,368,082        | \$ 14,634,489        | \$ 14,625,683        |
| Child Welfare/Adoption Promotion | 160,000              | 160,000              | 201,425              | 449,023              |
| Youth Development                | 7,061,103            | 8,105,573            | 8,565,486            | 9,913,146            |
| Delinquency Prevention           | 3,299,074            | 3,819,116            | 3,882,289            | 3,693,789            |
| Independent Living               | 1,705,743            | 1,793,734            | 1,938,078            | 3,453,678            |
| Special Needs                    | 9,826,260            | 10,544,491           | 11,262,154           | 11,615,565           |
| Out of School Time               | 11,595,555           | 12,305,000           | 12,510,258           | 12,739,048           |
| Early Child Education            | 7,527,142            | 6,964,718            | 7,101,288            | 8,331,244            |
| Physical Health                  | 1,973,941            | 2,169,334            | 2,413,343            | 2,579,085            |
| System Goals                     | 2,444,562            | 2,147,989            | 2,176,270            | 2,945,616            |
| Unallocated                      | 63,074               | 78,262               | 183,623              | 177,863              |
| <b>TOTAL</b>                     | <b>\$ 57,998,983</b> | <b>\$ 61,456,299</b> | <b>\$ 64,868,703</b> | <b>\$ 70,523,740</b> |

Source: Children's Services Council, Finance Administration

| Fiscal Year          |                      |                      |                      |                       |                       |
|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| <u>2018</u>          | <u>2019</u>          | <u>2020</u>          | <u>2021</u>          | <u>2022</u>           | <u>2023</u>           |
| Budget               | Budget               | Budget               | Budget               | Budget                | Budget                |
| \$ 14,691,173        | \$ 16,781,607        | \$ 22,197,880        | \$ 23,966,670        | \$ 21,775,568         | \$ 23,528,238         |
| 1,383,224            | 1,422,920            | 2,400,259            | 2,400,259            | 2,639,168             | 2,853,033             |
| 11,019,508           | 11,558,299           | 12,525,294           | 14,838,909           | 17,162,625            | 20,535,007            |
| 3,332,890            | 3,506,464            | 3,601,728            | 3,601,728            | 3,604,678             | 3,860,365             |
| 3,587,678            | 3,716,788            | 3,803,739            | 4,081,500            | 4,229,618             | 4,880,012             |
| 12,732,486           | 13,210,547           | 13,915,052           | 14,449,226           | 16,245,696            | 17,413,401            |
| 14,333,308           | 14,829,189           | 15,323,467           | 14,509,357           | 18,473,374            | 20,730,397            |
| 9,491,026            | 10,509,308           | 10,266,787           | 10,462,389           | 9,031,784             | 8,573,817             |
| 2,802,488            | 3,121,270            | 3,194,475            | 3,357,049            | 3,229,359             | 3,282,903             |
| 3,053,305            | 2,946,182            | 2,835,684            | 3,012,368            | 5,273,447             | 3,589,770             |
| -                    | 1,074,857            | 12,939               | 871,477              | 3,497,021             | 231,899               |
| <b>\$ 76,427,086</b> | <b>\$ 82,677,431</b> | <b>\$ 90,077,304</b> | <b>\$ 95,550,932</b> | <b>\$ 105,162,338</b> | <b>\$ 109,478,842</b> |



**Children's Services Council**  
of Broward County  
Our Focus is Our Children.

# COMPLIANCE SECTION





**Children's Services Council**  
of Broward County  
Our Focus is Our Children.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and the major fund, of the Children's Services Council of Broward County (the "Council") as of and for the 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 21, 2024.

#### **Report on Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or 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 the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**Purpose of This Report**

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

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
March 21, 2024

DRAFT

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

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

***Opinion on Each Major Federal Program***

We have audited the Children's Services Council of Broward County (the "Council") compliance with the types of compliance requirement identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended September 30, 2023. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's 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 each major federal program. 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.

### ***Auditor's 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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, 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 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 will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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. Accordingly, this report is not suitable for any other purpose.

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
March 21, 2024

**Children's Services Council of Broward County  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended September 30, 2023**

| <u>Federal Agency, Pass-through Entity,<br/>Federal Program</u>   | <u>Federal Assistance<br/>Listing Number</u> | <u>Contract/Grant Number</u> | <u>Expenditures</u> | <u>Transfers to<br/>Subrecipients</u> |
|---|--|------------------------------|---------------------|---------------------------------------|
| Federal Agency Name:  |  |                              |                     |                                       |
| Department of Education   |  |                              |                     |                                       |
| Pass-through:   |  |                              |                     |                                       |
| Broward College   |  |                              |                     |                                       |
| Broward UP (Unlimited Potential)<br>Promise Neighborhoods Project | 84.215N                                      | S215N210041                  | 395,241             | 395,241                               |
| Total Department of Education                                     |  |                              | 395,241             | 395,241                               |
| Department of Health and Human Services                           |  |                              |                     |                                       |
| Pass-through:   |  |                              |                     |                                       |
| Florida Department of Children and Families                       |  |                              |                     |                                       |
| Foster Care - Title IV-E  | 93.658                                       | # YLJ74                      | 389,059             | -                                     |
| Adoption Assistance   | 93.659                                       | # YLJ74                      | 103,848             | -                                     |
| Total Department of Health and Human Services                     |  |                              | 492,907             | -                                     |
| Total Expenditures of Federal Awards                              |  |                              | \$ 888,148          | \$ 395,241                            |

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

DRAFT

**CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended September 30, 2023**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the Children's Services Council of Broward County (the Council) under programs of the federal government for the fiscal year ended September 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position or changes in net position of the Council.

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

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

**NOTE 3 – INDIRECT COST RATE**

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

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:

*Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified?

yes  no

Significant deficiency(ies) identified?

yes  none reported

Noncompliance material to financial statements noted?

yes  no

**Federal Programs**

Internal control over major federal programs:

Material weakness(es) identified?

yes  no

Significant deficiency(ies) identified?

yes  none reported

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

*Unmodified Opinion*

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

yes  no

Identification of major federal program(s):

**Assistance**

**Listing No.**

**Federal Program(s)**

84.215N Department of Education - Innovative Approaches to Literacy; Promise Neighborhoods; Full-Service Community Schools; and Congressionally Directed Spending for Elementary and Secondary Education Community Projects

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

\$ 750,000

Auditee qualified as low-risk auditee?

yes  no

**SECTION II - FINANCIAL STATEMENTS FINDINGS**

None Reported.

**SECTION III - FEDERAL PROGRAMS FINDINGS AND QUESTIONED COSTS**

None Reported.

**SECTION IV - PRIOR YEAR AUDIT FINDINGS**

None Reported.

**SECTION V - OTHER**

No management letter is required because there were no findings required to be reported in a separate management letter.

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

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

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

We have audited the financial statements of the Children's Services Council of Broward County (the "Council"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 21, 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; 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 Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 21, 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 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. This information is disclosed in Note 1 to the notes financial statements.



**Financial Condition and Management**

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

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

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

**Specific Information**

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 Council employees compensated in the last pay period of the Council's fiscal year as 89.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Council's fiscal year as 57.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$ 10,996,361.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$ 551,841.
- e. No 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 ended September 30, 2023.
- 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. Refer to the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual Comparison – General Fund on page XX.

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 mileage rate or rates imposed by the Council as .4500 mill.
- b. The total amount of ad valorem taxes collected by or on behalf of the district as \$ 105,403,582.
- c. The total amount of outstanding bonds issued by the district 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 Council members and management of the Council, and is not intended to be and should not be used by anyone other than these specified parties.

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
March 21, 2024

DRAFT

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF  
SECTION 218.415 FLORIDA STATUTES

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

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

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

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
March 21, 2024



**Children's Services Council**  
of Broward County  
Our Focus is Our Children.



## MISSION

To provide the leadership, advocacy and resources necessary to enhance children's lives and empower them to become responsible, productive adults through collaborative planning and funding of a continuum of care.

## VISION

The children of Broward County shall have the opportunity to realize their full potential, their hopes and their dreams, supported by a nurturing family and community.

Follow us on social media







# CHILDREN'S SERVICES COUNCIL OF BROWARD COUNTY

## Investment Performance Review For the Quarter Ended December 31, 2023

### Client Management Team

Scott Sweeten, BCM, CFS, Sr. Managing Consultant  
Richard Pengelly, CFA, CIMA, CTP, Managing Director

225 E. Robinson Street  
Orlando, FL 32801  
407-406-5754

### PFM Asset Management LLC

213 Market Street  
Harrisburg, PA 17101-2141  
717-232-2723

**NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE**

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# Agenda

- Market Update
- Account Summary
- Portfolio Review



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# Market Update

## Current Market Themes



- ▶ The U.S. economy is characterized by:
  - ▶ Economic resilience but expectations for a slowdown
  - ▶ Cooling inflation that still remains above the Federal Reserve's ("Fed") target
  - ▶ The labor market coming into better balance
  - ▶ Consumers that continue to support growth through spending



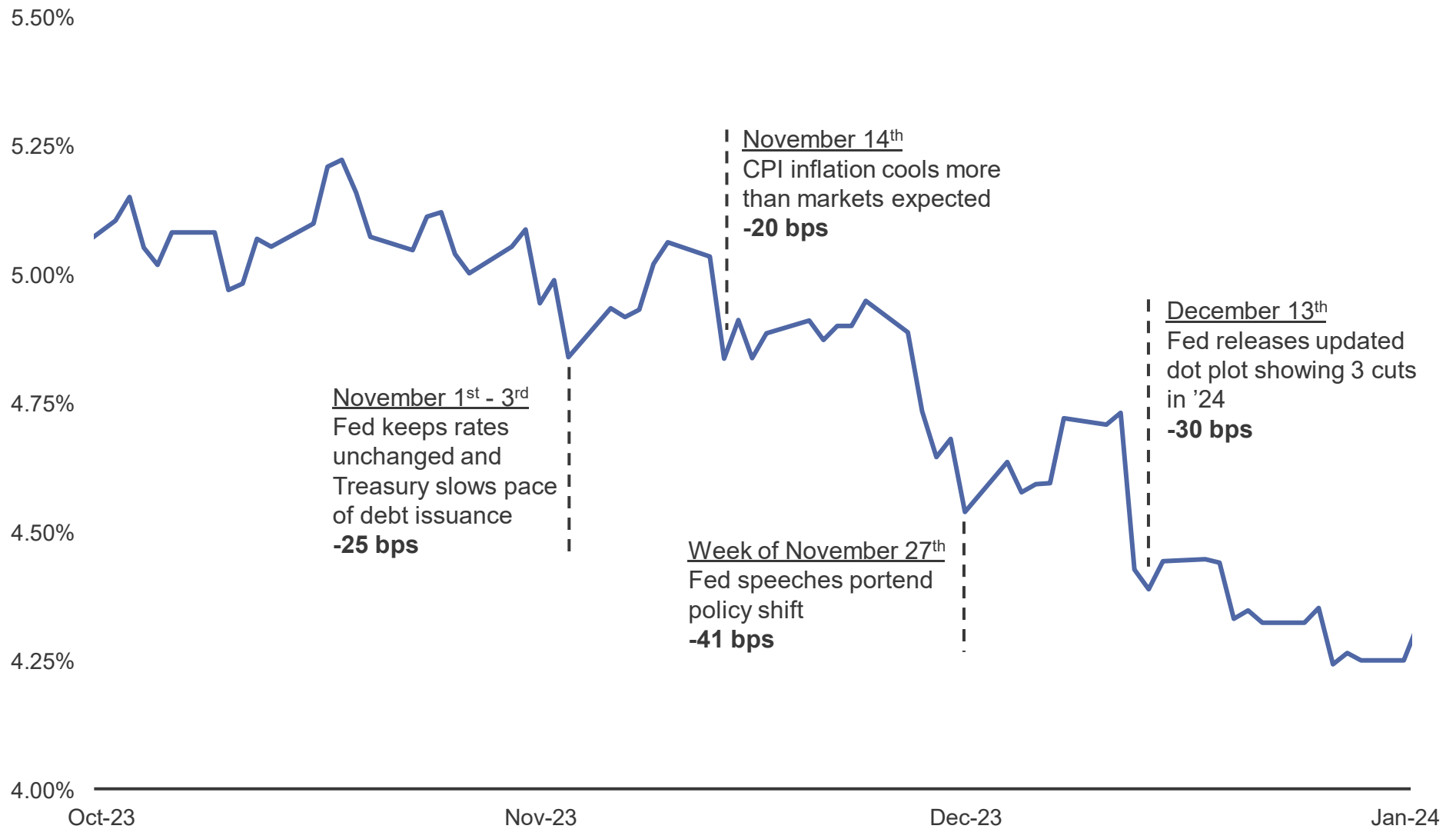
- ▶ Federal Reserve signals end to rate hiking cycle
  - ▶ Fed projected to cut the short-term Fed funds rate by 75 basis points by December 2024, with the overnight rate falling to 4.50% to 4.75%
  - ▶ Markets are pricing a more aggressive 6 rate cuts by year end
  - ▶ Fed officials reaffirm that restoring price stability is the priority



- ▶ Treasury yields ended the quarter materially lower
  - ▶ After peaking in October, yields reversed course on dovish Fed pivot
  - ▶ Yield curve inversion persisted throughout the rally
  - ▶ Credit spreads narrowed sharply on increased expectations for a soft landing

## Rates Fall on Softer Inflation and Fed Pivot

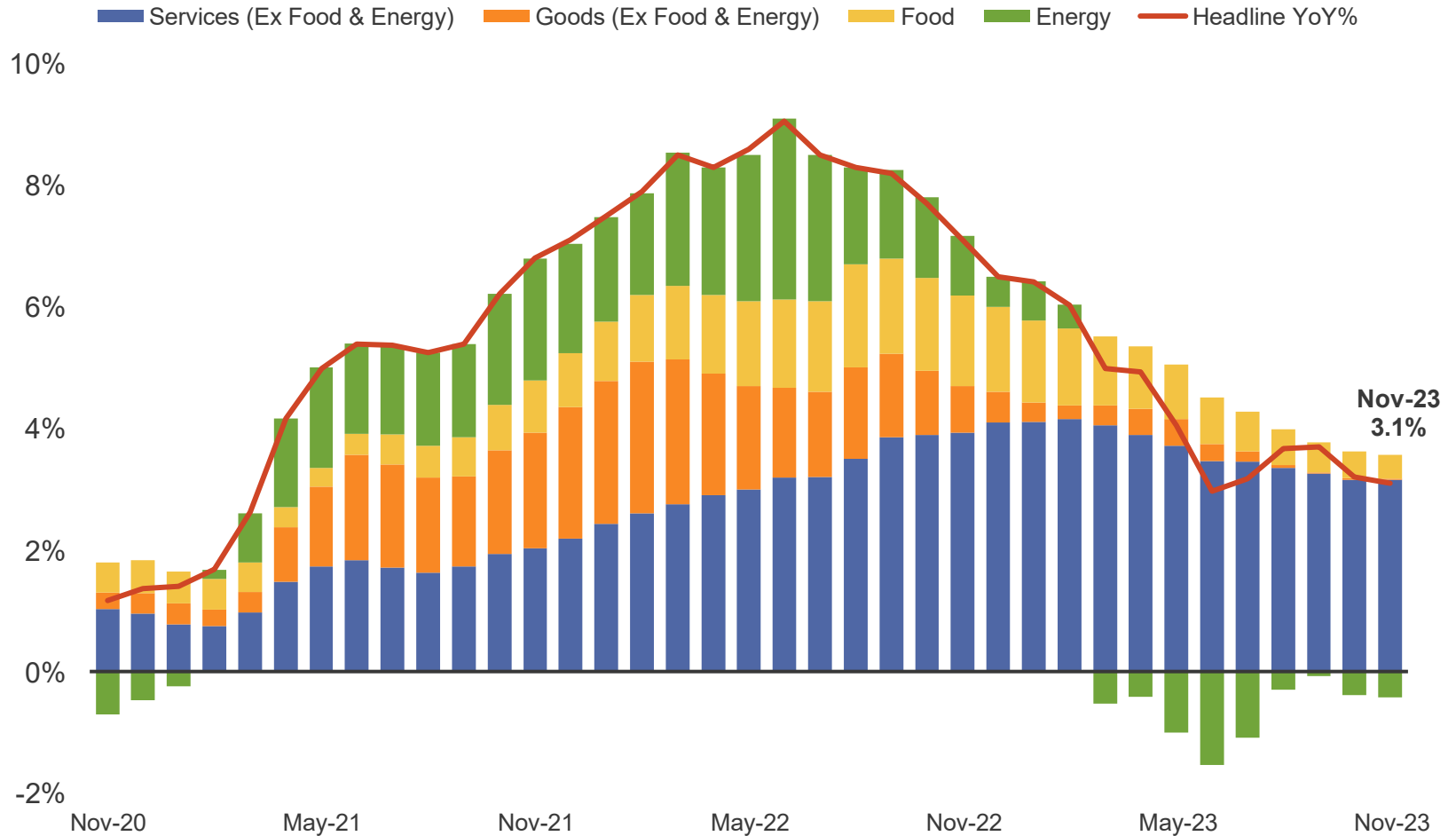
### 2-Year US Treasury Yield



Source: Bloomberg, as of 12/31/2023.

## Inflation Continues to Trend Lower

### Consumer Prices (CPI) Year-over-Year Change in Top-Line Contributions



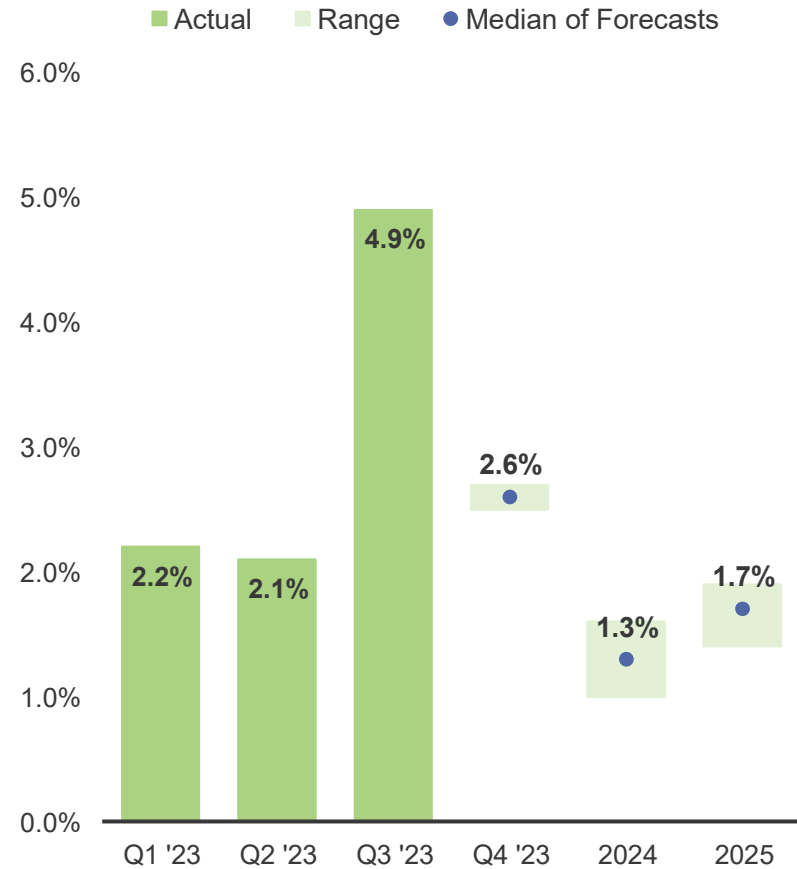
Lower energy and goods prices help to offset increases in wage-driven services costs

Source: Bloomberg, as of November 2023.

### Balanced Risks Support Soft Landing

|                             |   |   |   |
|-----------------------------|---|---|---|
| <i>Employment</i>           | ○ | ○ | ● |
| <i>Wages</i>                | ○ | ○ | ● |
| <i>Consumer</i>             | ○ | ● | ○ |
| <i>Inflation</i>            | ○ | ● | ○ |
| <i>Housing</i>              | ● | ○ | ○ |
| <i>Manufacturing</i>        | ● | ○ | ○ |
| <i>Inverted yield curve</i> | ○ | ● | ○ |
| <i>Credit spreads</i>       | ○ | ○ | ● |
| <i>Fed Policy</i>           | ○ | ● | ○ |

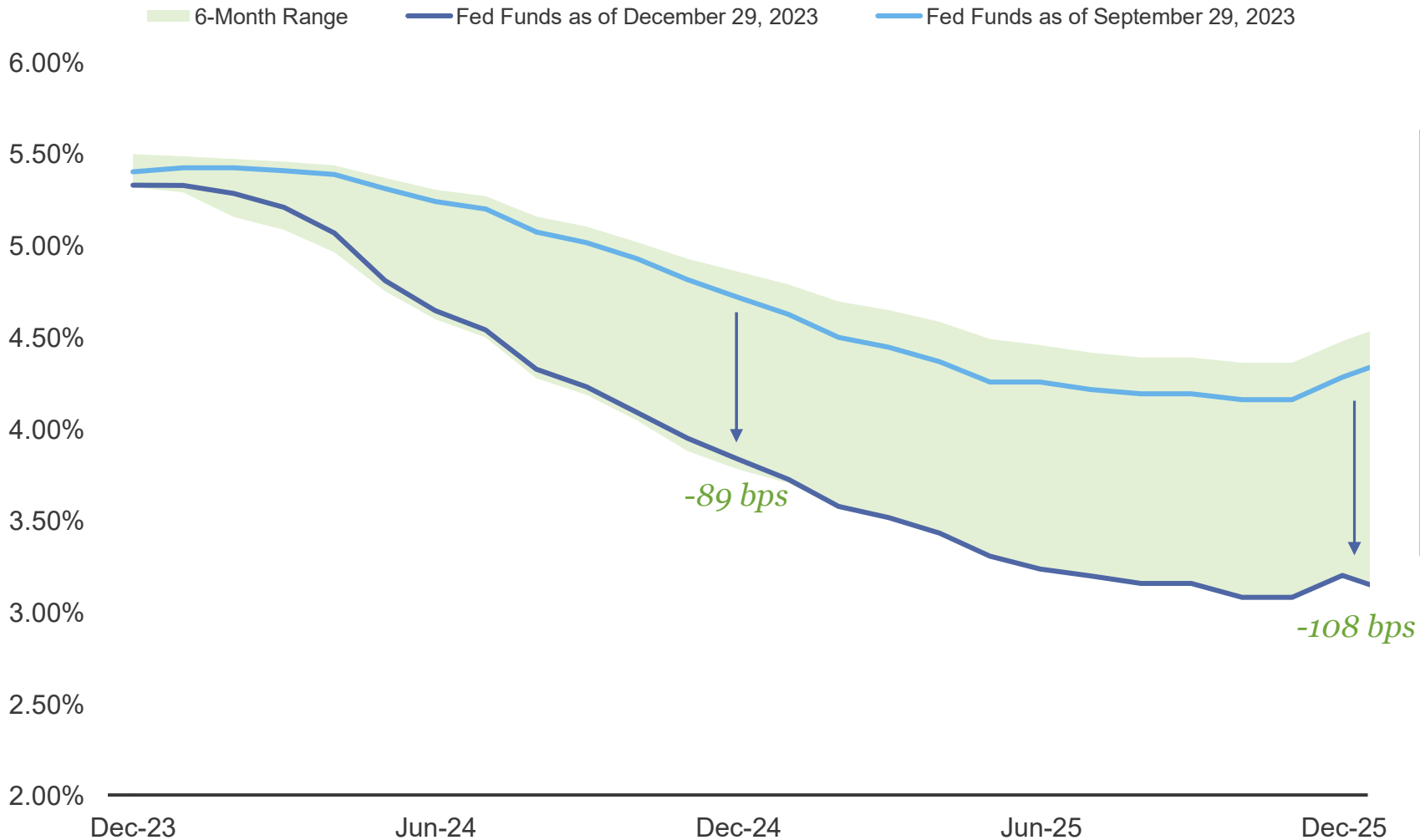
### U.S. GDP Forecasts Annualized Rate



Source: Bloomberg, Economist Forecasts.

## Market Expects Lower Rates

### Implied Fed Funds Rate

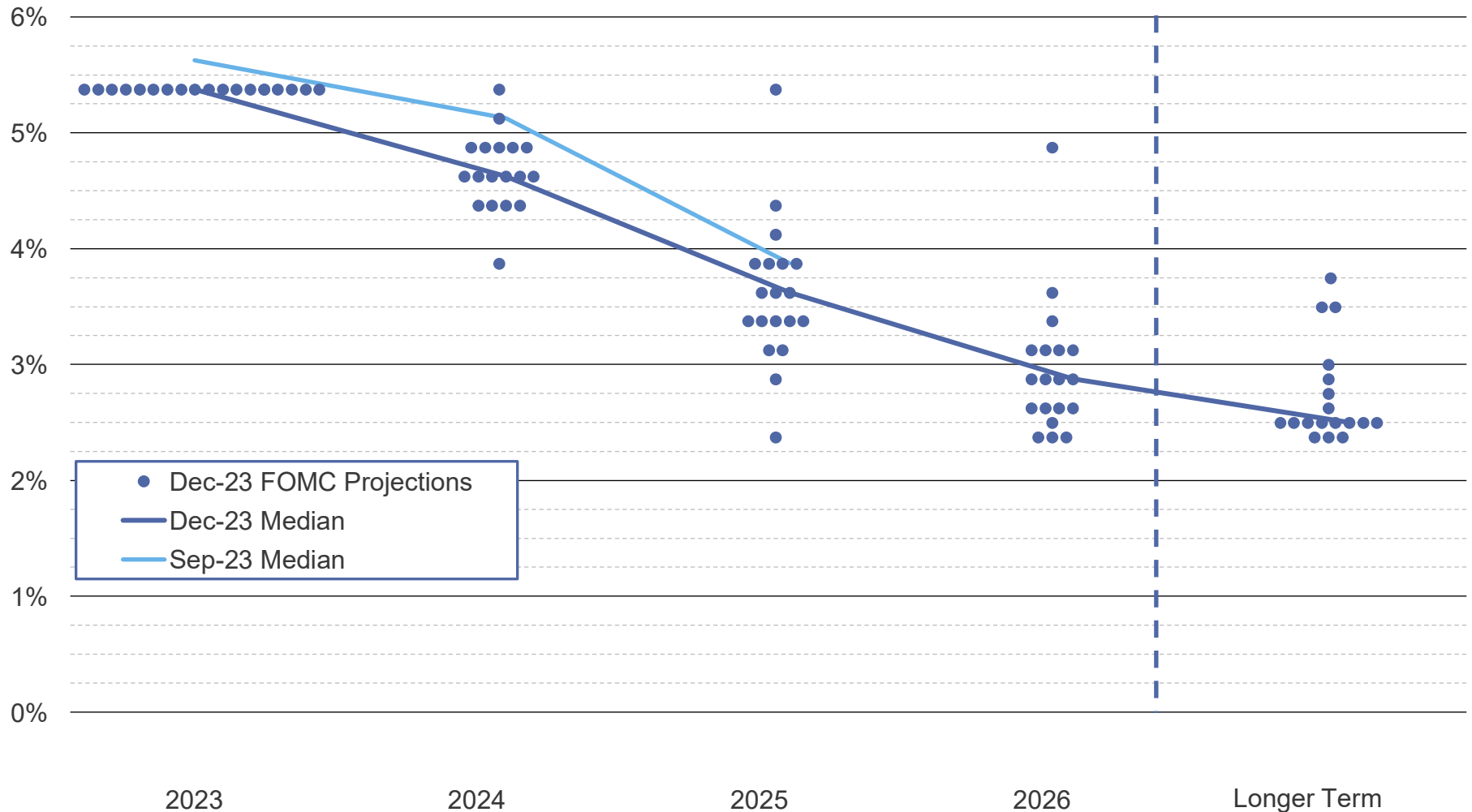


Expectations for Fed Funds have reached their most dovish levels in 6 months in response to falling inflation, Fed pivot and moderating labor market

Source: Bloomberg, as of December 2023.

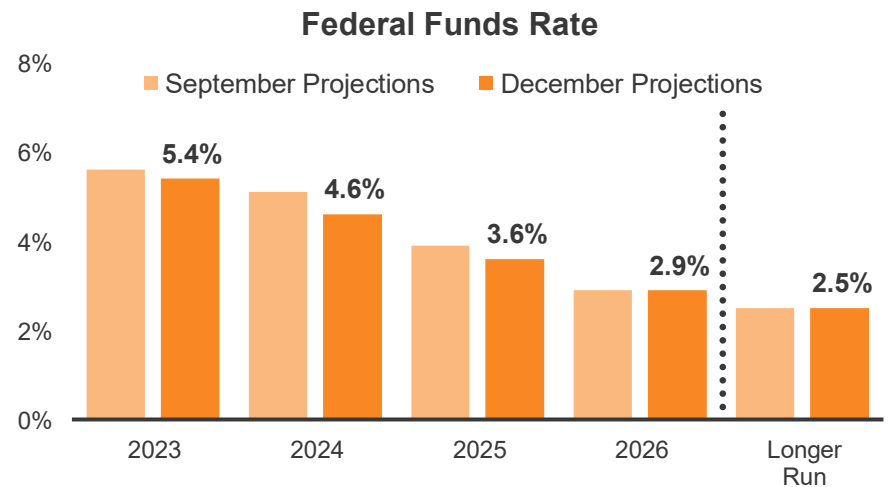
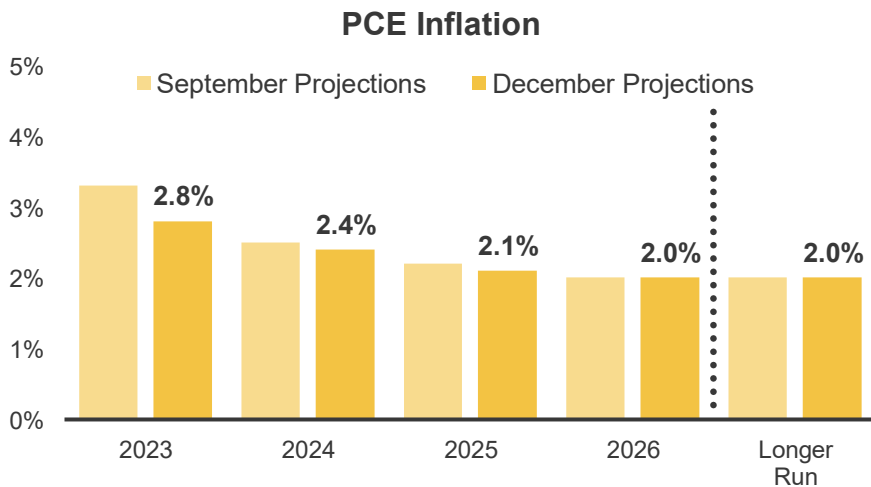
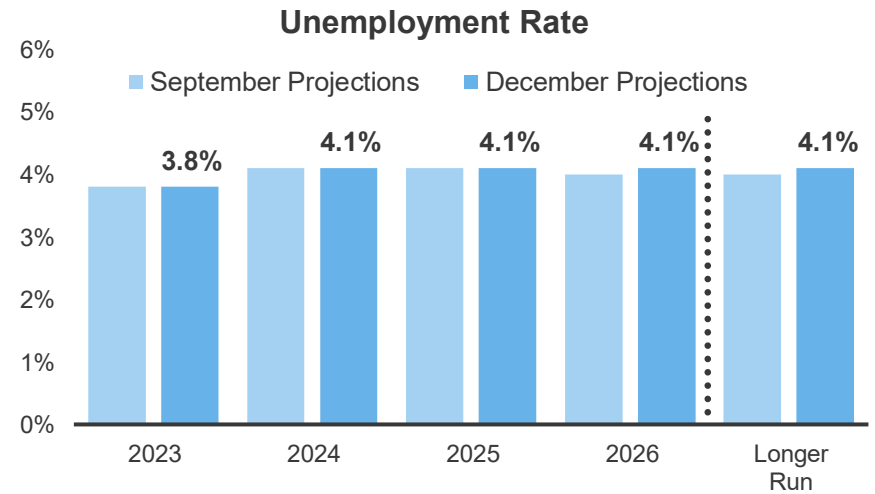
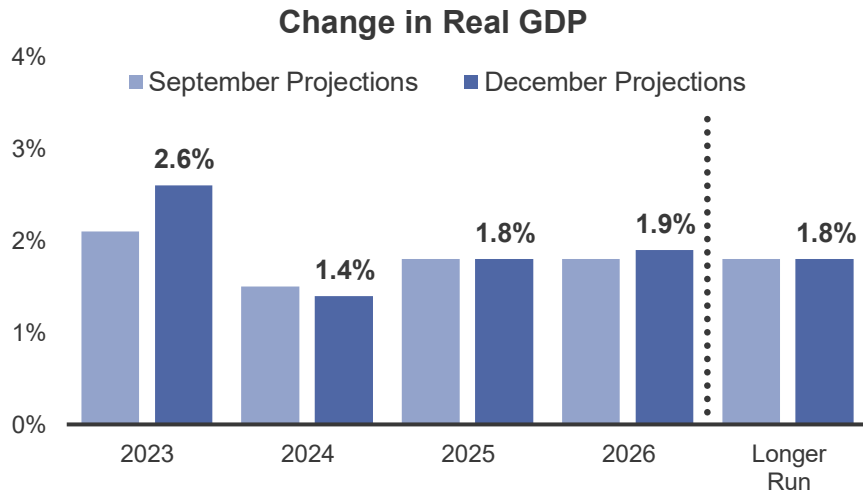
## Fed's Updated "Dot Plot" Also Shows Lower Rate Trajectory

### Fed Participants' Assessments of 'Appropriate' Monetary Policy



Source: Federal Reserve. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

## Federal Reserve Projects a Soft Landing

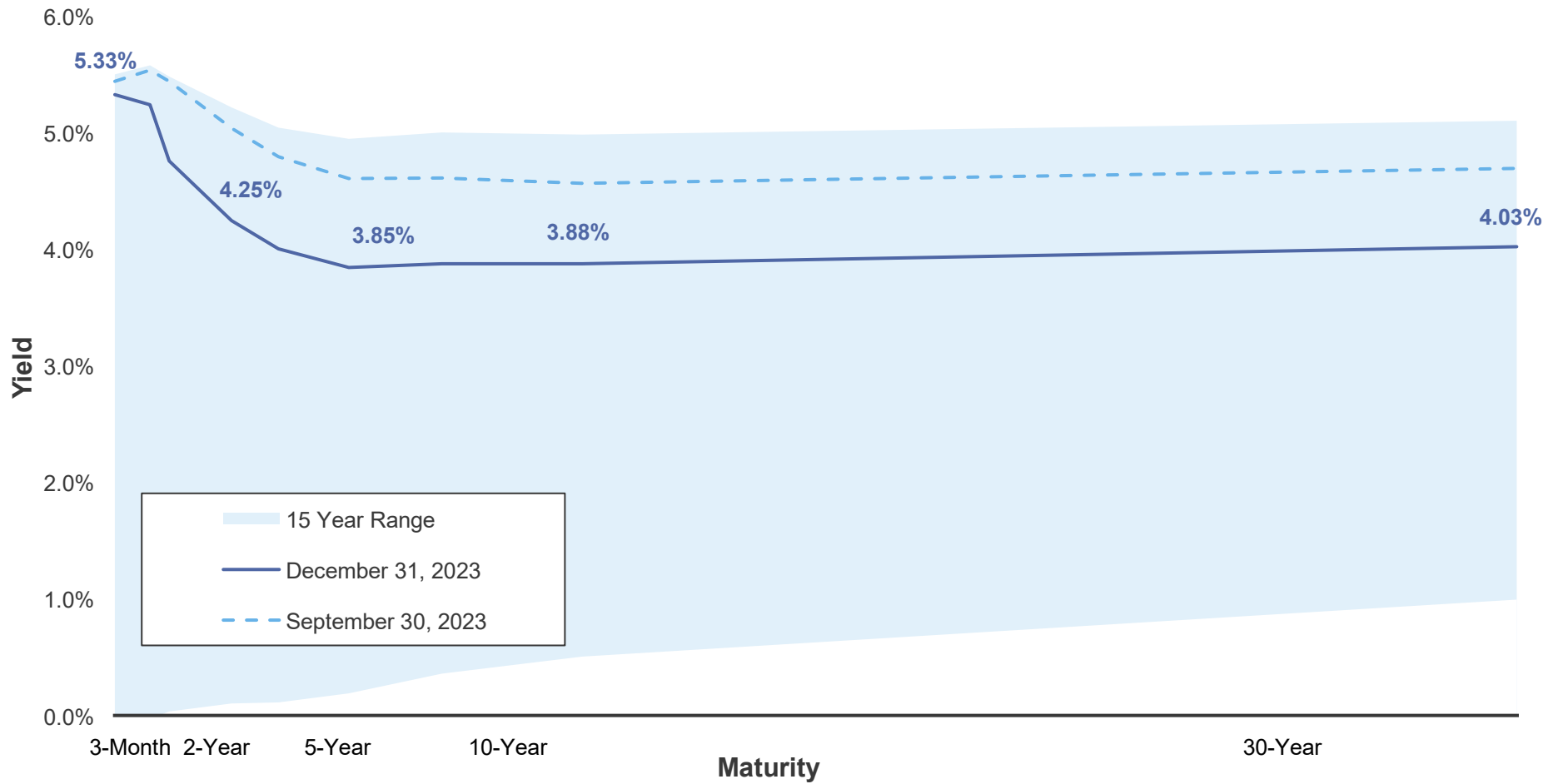


Source: Federal Reserve, latest economic projections as of December 2023.



## Interest Rates Moderate But Remain High

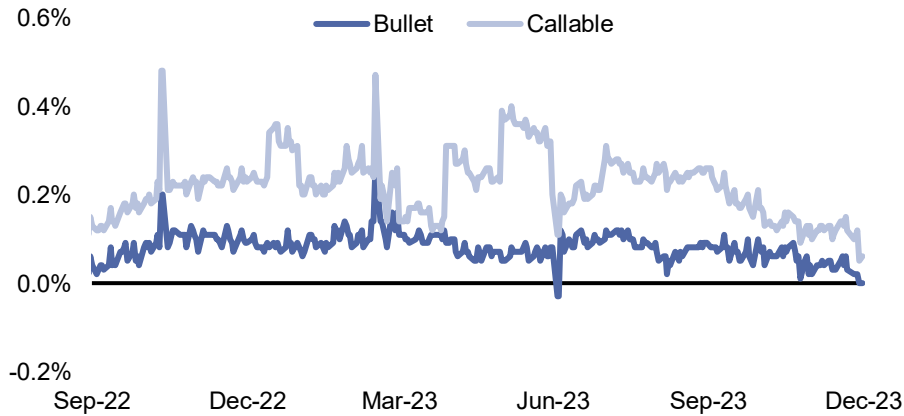
### U.S. Treasury Yield Curve



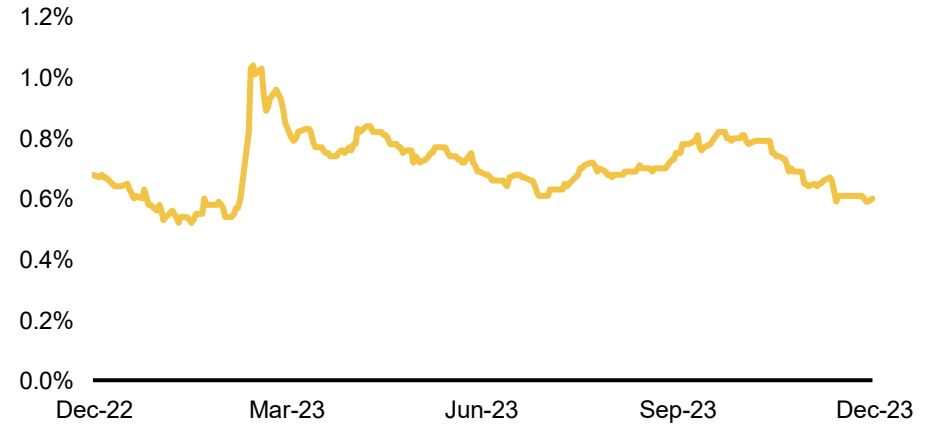
Source: Bloomberg, as of December 31, 2023.

## Sector Yield Spreads

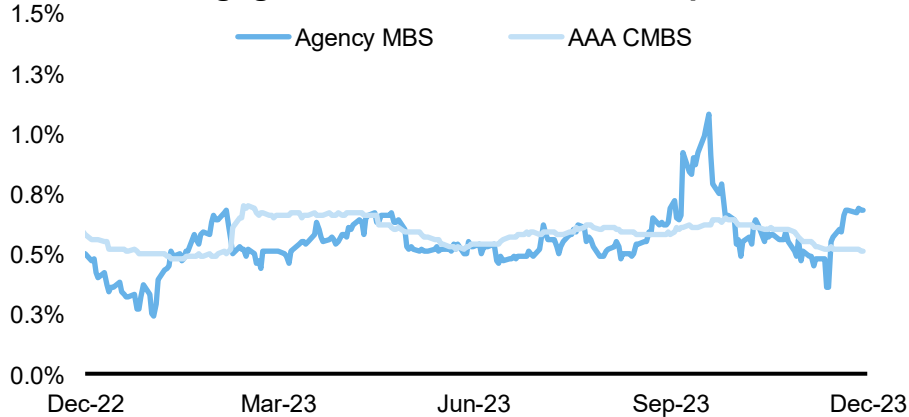
### Federal Agency Yield Spreads



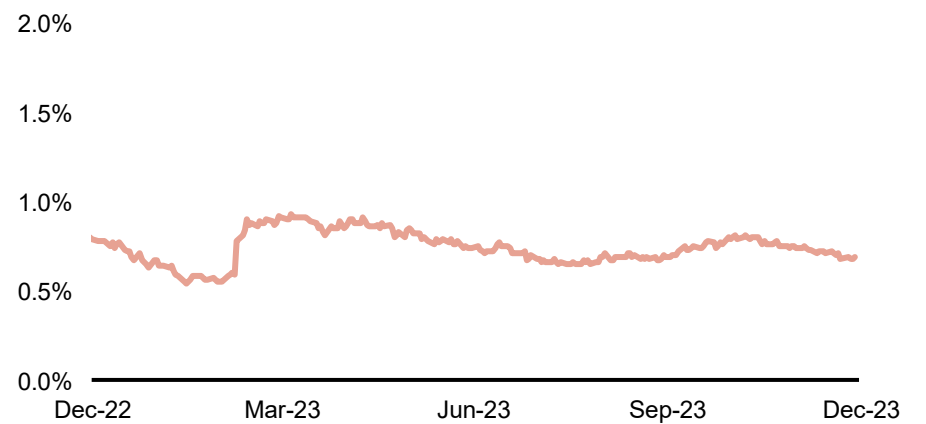
### Corporate Notes A-AAA Yield Spreads



### Mortgage-Backed Securities Yield Spreads



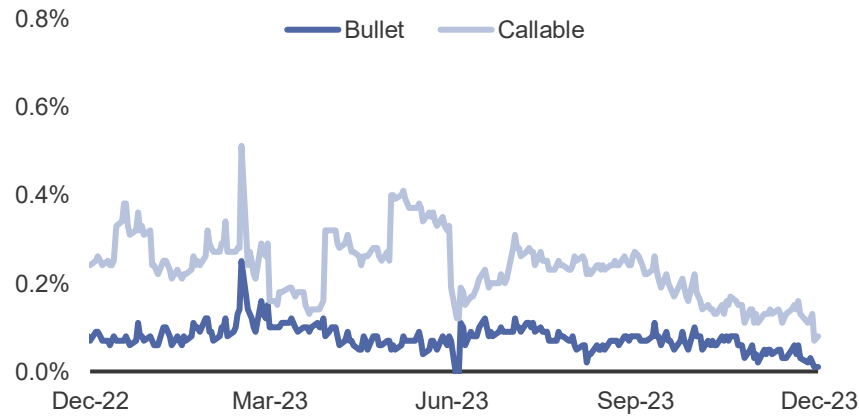
### Asset-Backed Securities AAA Yield Spreads



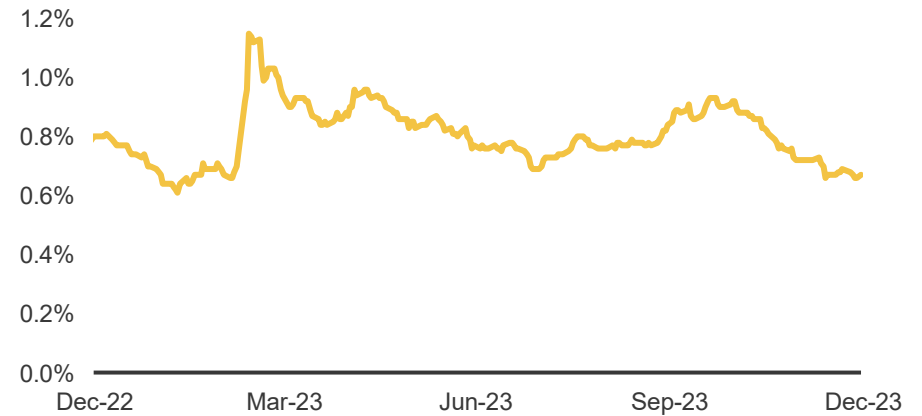
Source: ICE BofA 1-3 year Indices via Bloomberg, MarketAxess and PFMAM as of December 31, 2023. Spreads on ABS and MBS are option-adjusted spreads of 0-3 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

## Sector Yield Spreads

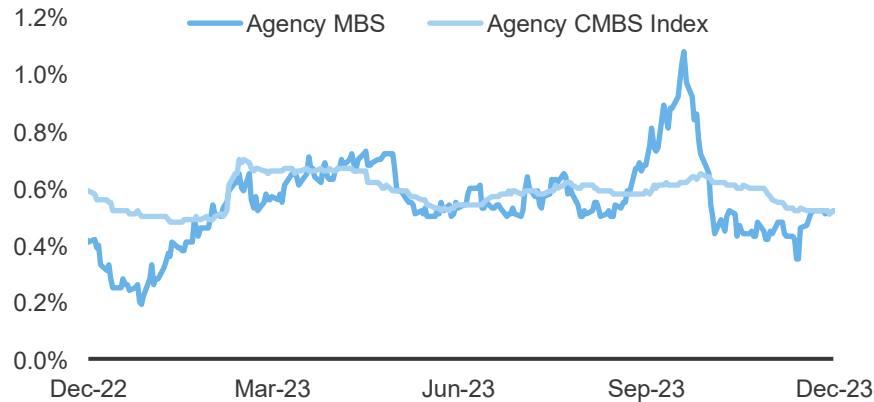
### Federal Agency Yield Spreads



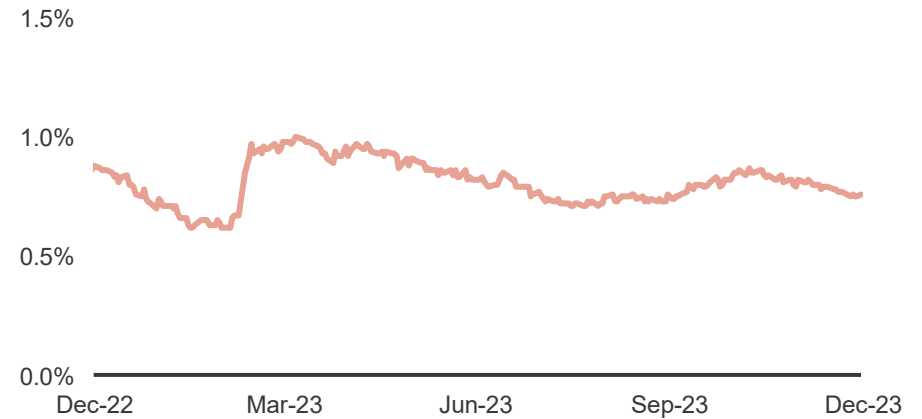
### Corporate Notes A-AAA Yield Spreads



### Mortgage-Backed Securities Yield Spreads



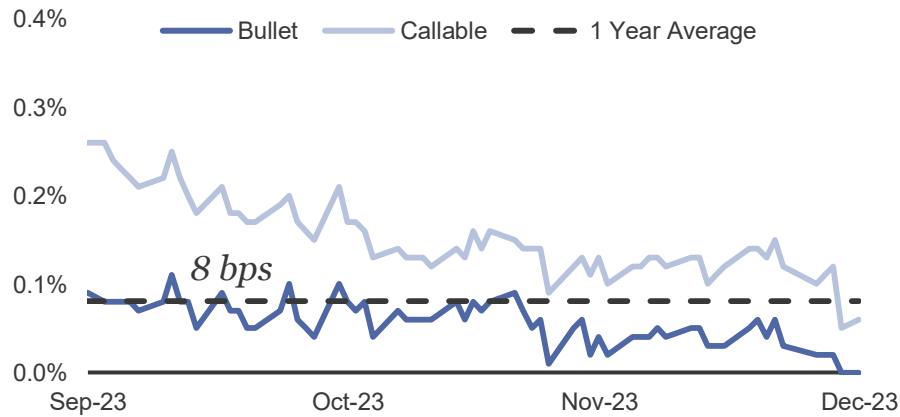
### Asset-Backed Securities AAA Yield Spreads



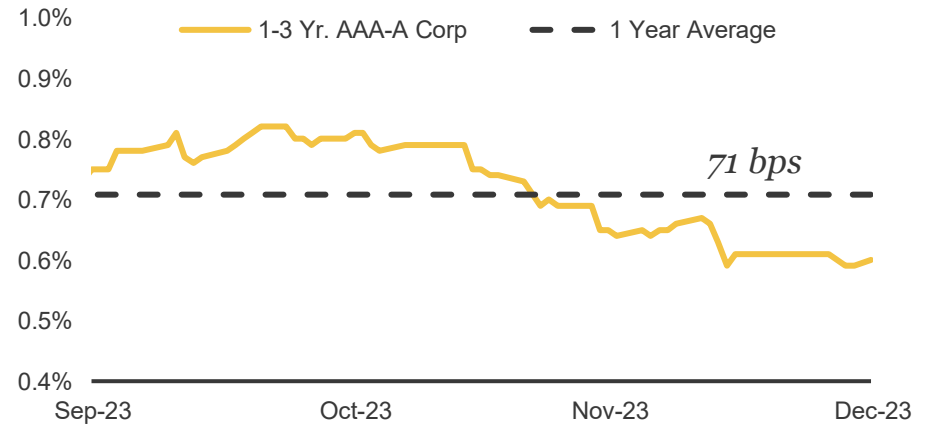
Source: ICE BofA 1-5 year Indices via Bloomberg, MarketAxess and PFMAM as of December 31, 2023. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

## Sector Yield Spreads

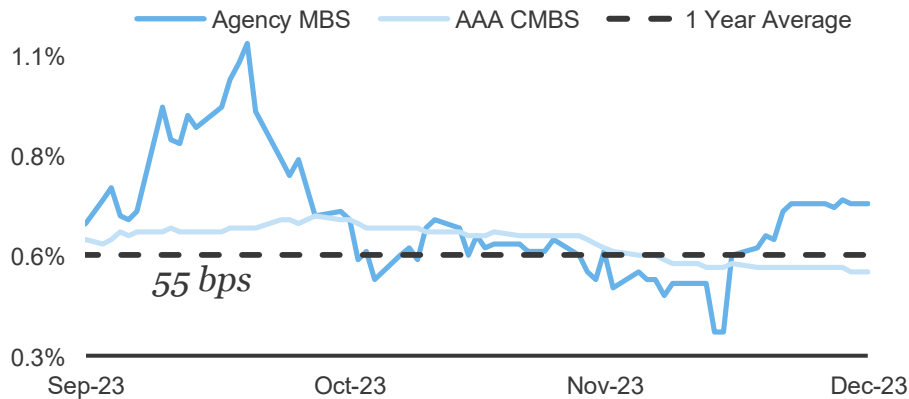
### Federal Agency Yield Spreads



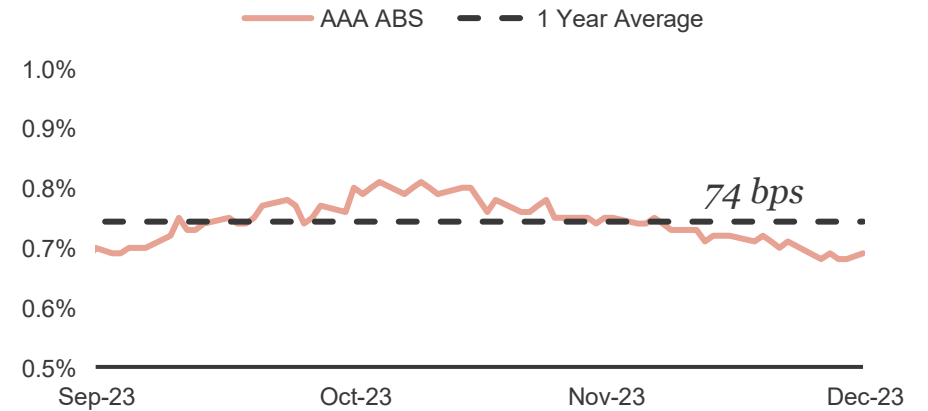
### Corporate Notes A-AAA Yield Spreads



### Mortgage-Backed Securities Yield Spreads

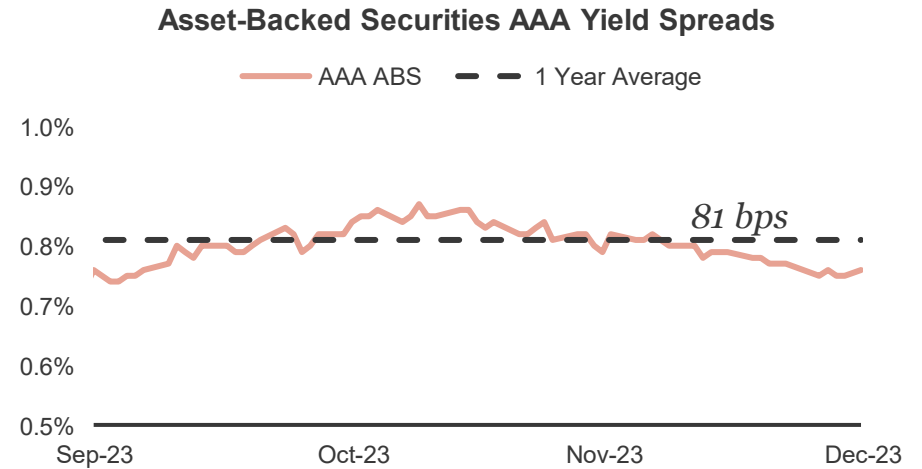
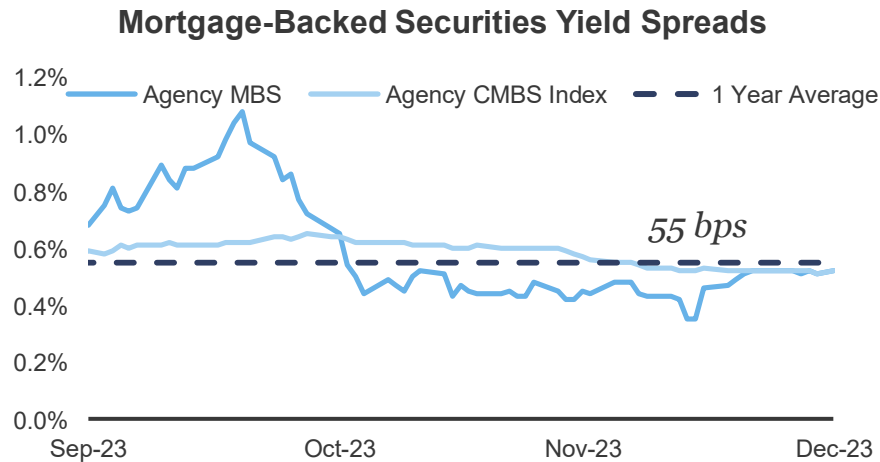
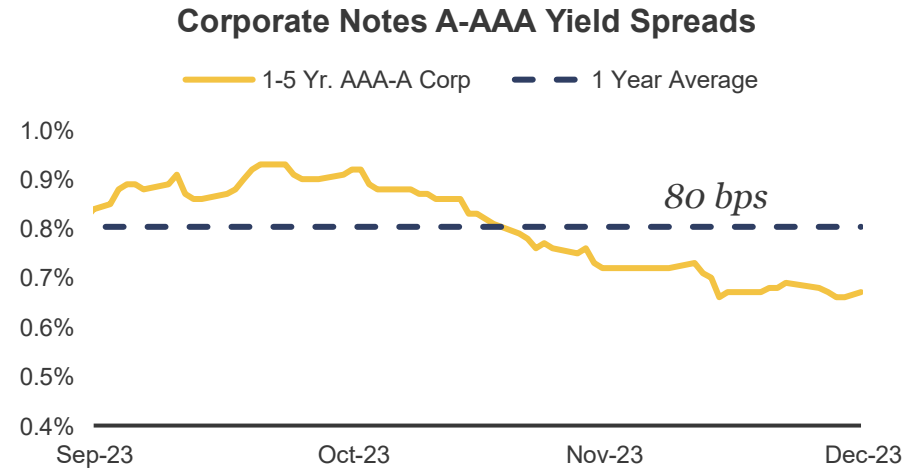
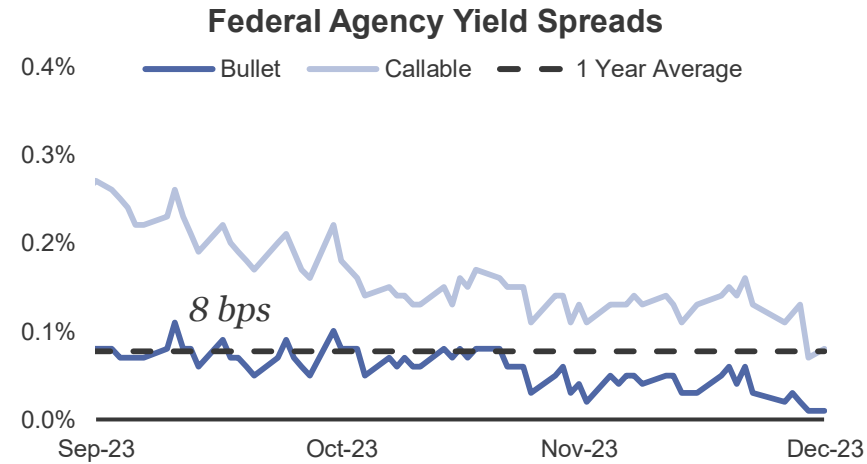


### Asset-Backed Securities AAA Yield Spreads



Source: ICE BofA 1-3 year Indices via Bloomberg, MarketAxess and PFMAM as of December 31, 2023. Spreads on ABS and MBS are option-adjusted spreads of 0-3 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

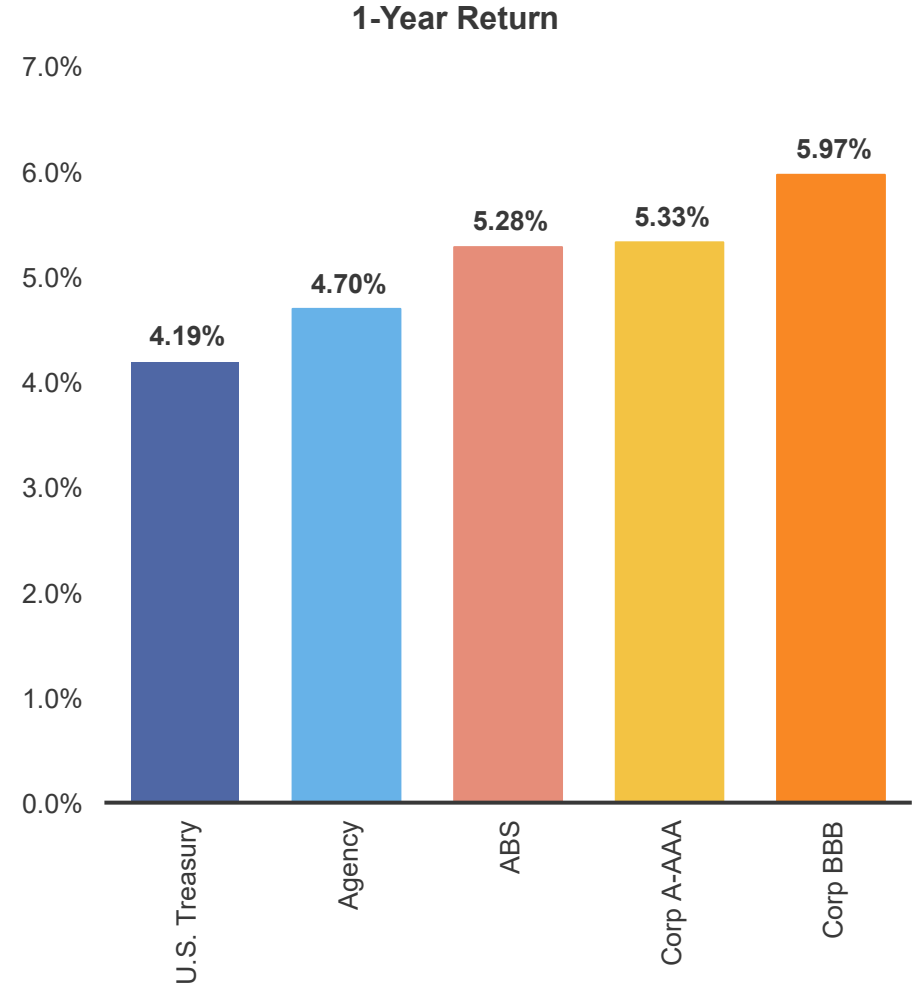
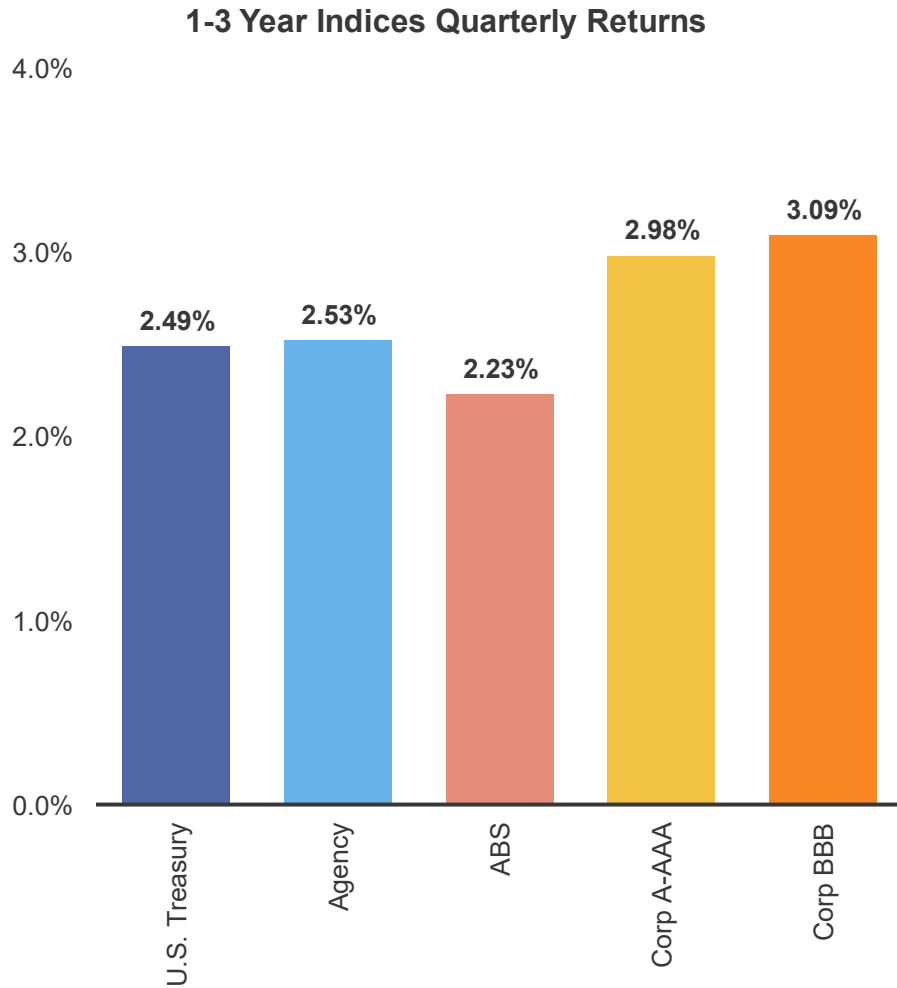
## Sector Yield Spreads



Source: ICE BofA 1-5 year Indices via Bloomberg, MarketAxess and PFMAM as of December 31, 2023. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

## Fixed-Income Markets in 4Q 2023

### 1-3 Year Indices

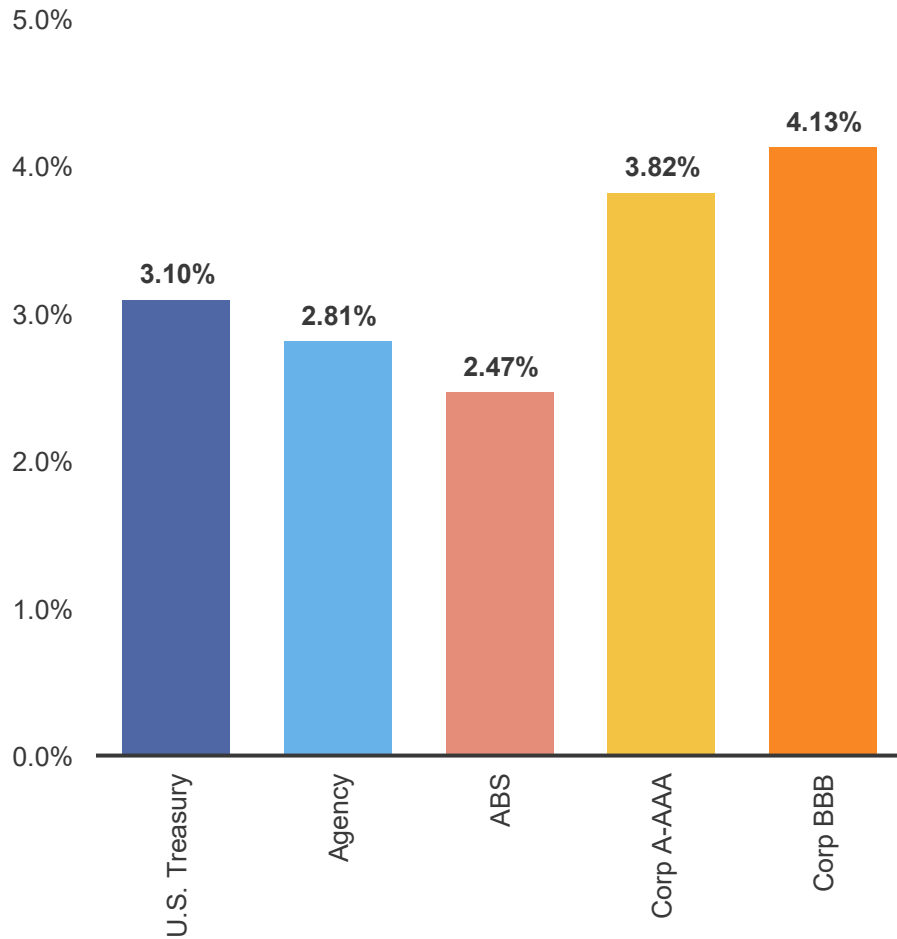


Source: ICE BofA Indices. ABS indices are 0-3 year, based on weighted average life. As of December 31, 2023.

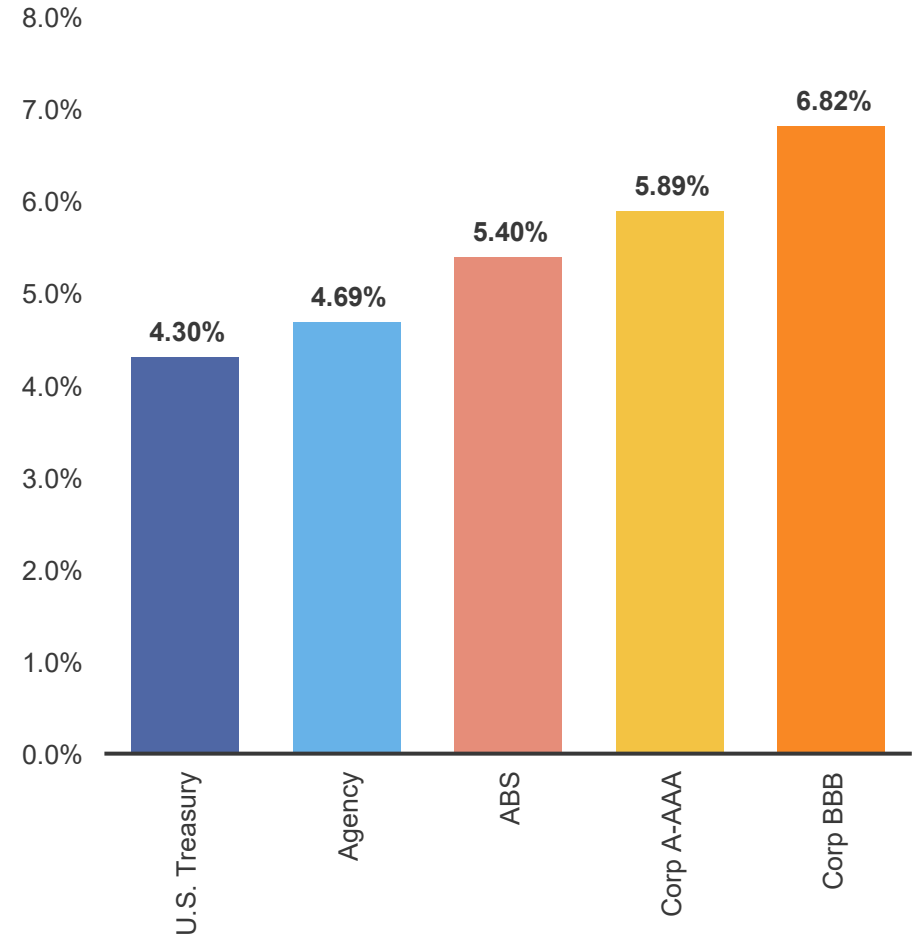
## Fixed-Income Markets in 4Q 2023

### 1-5 Year Indices

1-5 Year Indices Quarterly Returns



1-Year Return



Source: ICE BofA Indices. ABS indices are 0-5 year, based on weighted average life. As of December 31, 2023.

## Fixed-Income Sector Commentary – 4Q 2023

- ▶ **U.S. Treasuries** yields are lower by 70-80 basis points over the quarter for maturities greater than one year as markets have now priced five to six rate cuts in 2024. While the curve remains inverted, yield levels remain above their 30-year averages.
- ▶ **Federal agency** spreads remained tight and issuance was light. As a result, value during Q4 was limited. Excess returns of callable structures outperformed bullets as spreads narrowed from historical wides.
- ▶ **Supranational** spreads, similar to agencies, remained low and range-bound on limited supply, favoring opportunities in other sectors.
- ▶ **Taxable Municipal** issuance remained heavily oversubscribed due to a lack of supply. The secondary market had limited opportunities to pick up yield versus similarly-rated corporates.
- ▶ **Investment-Grade Corporates** were one of the best performing fixed-income sectors for both Q4 and calendar year 2023. After a brief broad market de-risking in late September and most of October, the IG corporate sector did an about-face and finished the year with spreads rallying to their lowest levels in over nine months. Strong economic conditions, the increasing perception of a soft landing, and robust demand for the sector fueled the market rally, as longer duration and lower quality issuers outperformed.
- ▶ **Asset-Backed Securities** generated positive excess returns in Q4, although not to the same extent as corporates. While spreads tightened into year-end, the relatively muted rally vs. other non-government sectors possibly underscores the market expectation for modestly weaker consumer fundamentals moving forward. Incremental income from the sector remains attractive and our fundamental outlook for the economy is supportive for the sector.
- ▶ **Mortgage-Backed Securities** were one of the best performing investment grade sectors in Q4 despite a roller coaster pathway. After widening in October to their highest levels since the spring of 2020, spreads proceeded to rally into year-end, finishing near nine-month lows.
- ▶ **Short-term credit** (commercial paper and negotiable CDs) spreads tightened over the quarter and the credit curve flattened modestly. Shorter-term maturities are less attractive and we prefer issuers with maturities between 6 and 12 months.



### Fixed-Income Sector Outlook – 1Q 2024

| Sector                        | Our Investment Preferences |
|-------------------------------|----------------------------|
| <b>COMMERCIAL PAPER / CD</b>  |                            |
| <b>TREASURIES</b>             |                            |
| <b>T-Bill</b>                 |                            |
| <b>T-Note</b>                 |                            |
| <b>FEDERAL AGENCIES</b>       |                            |
| <b>Bullets</b>                |                            |
| <b>Callables</b>              |                            |
| <b>SUPRANATIONALS</b>         |                            |
| <b>CORPORATES</b>             |                            |
| <b>Financials</b>             |                            |
| <b>Industrials</b>            |                            |
| <b>SECURITIZED</b>            |                            |
| <b>Asset-Backed</b>           |                            |
| <b>Agency Mortgage-Backed</b> |                            |
| <b>Agency CMBS</b>            |                            |
| <b>MUNICIPALS</b>             |                            |



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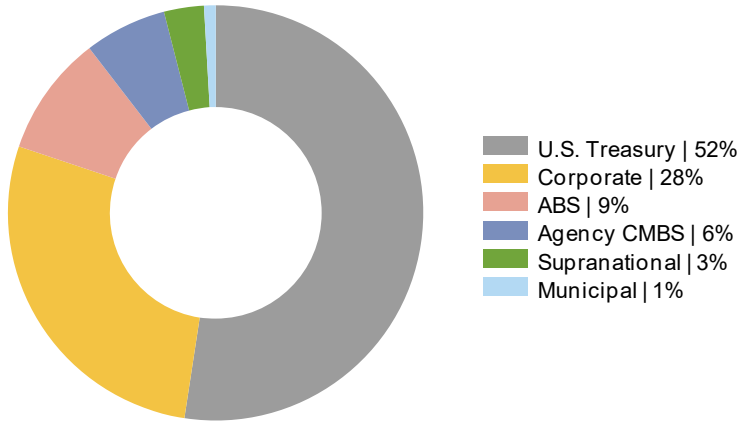
Portfolio Review:  
CSC BROWARD COUNTY CORE PORTFOLIO

## Portfolio Snapshot - CSC BROWARD COUNTY CORE PORTFOLIO<sup>1</sup>

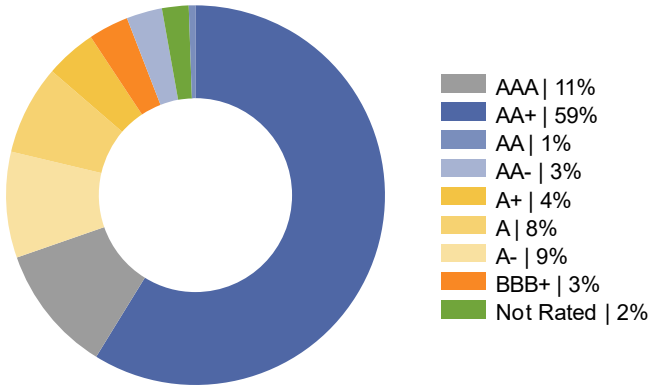
### Portfolio Statistics

|                                     |                 |
|-------------------------------------|-----------------|
| <b>Total Market Value</b>           | \$25,953,562.53 |
| <i>Securities Sub-Total</i>         | \$25,606,116.83 |
| <i>Accrued Interest</i>             | \$220,866.97    |
| <i>Cash</i>                         | \$126,578.73    |
| <b>Portfolio Effective Duration</b> | 1.73 years      |
| <b>Benchmark Effective Duration</b> | 1.76 years      |
| <b>Yield At Cost</b>                | 4.02%           |
| <b>Yield At Market</b>              | 4.48%           |
| <b>Portfolio Credit Quality</b>     | AA              |

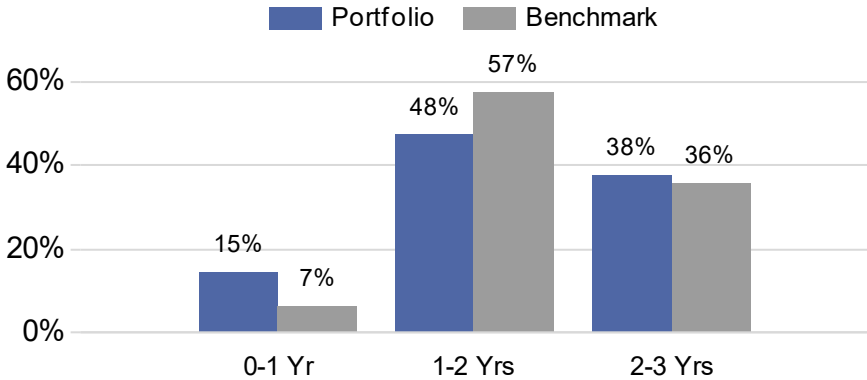
### Sector Allocation



### Credit Quality - S&P



### Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is the ICE BofA 1-3 Year U.S. Treasury Index. Source: Bloomberg. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

## Issuer Diversification

| Security Type / Issuer             | Market Value (%) | S&P / Moody's / Fitch |
|------------------------------------|------------------|-----------------------|
| <b>U.S. Treasury</b>               | <b>52.4%</b>     |                       |
| UNITED STATES TREASURY             | 52.4%            | AA / Aaa / AA         |
| <b>Agency CMBS</b>                 | <b>6.4%</b>      |                       |
| FANNIE MAE                         | 0.5%             | AA / Aaa / AA         |
| FREDDIE MAC                        | 5.9%             | AA / Aaa / AA         |
| <b>Supranational</b>               | <b>3.1%</b>      |                       |
| AFRICAN DEVELOPMENT BANK           | 1.4%             | AAA / Aaa / AAA       |
| ASIAN DEVELOPMENT BANK             | 1.7%             | AAA / Aaa / AAA       |
| <b>Municipal</b>                   | <b>0.9%</b>      |                       |
| COMMONWEALTH OF MASSACHUSETTS      | 0.7%             | NR / Aa / AAA         |
| STATE OF CONNECTICUT               | 0.2%             | AA / Aa / AA          |
| <b>Corporate</b>                   | <b>27.9%</b>     |                       |
| ADOBE INC                          | 0.4%             | A / A / NR            |
| AMERICAN EXPRESS CO                | 0.6%             | BBB / A / A           |
| AMERICAN HONDA FINANCE             | 0.7%             | A / A / NR            |
| BANK OF AMERICA CO                 | 1.5%             | BBB / A / A           |
| BANK OF MONTREAL                   | 0.8%             | A / A / AA            |
| BANK OF NOVA SCOTIA                | 0.7%             | A / A / AA            |
| CANADIAN IMPERIAL BANK OF COMMERCE | 0.6%             | A / A / AA            |
| CATERPILLAR INC                    | 0.4%             | A / A / A             |
| CINTAS CORPORATION NO. 2           | 0.2%             | A / A / NR            |
| CITIGROUP INC                      | 0.7%             | BBB / A / A           |
| COLGATE-PALMOLIVE COMPANY          | 0.2%             | AA / Aa / NR          |
| COMMONWEALTH BANK OF AUSTRALIA     | 1.0%             | AA / Aa / A           |
| DEERE & COMPANY                    | 0.7%             | A / A / A             |
| DIAGEO CAPITAL PLC                 | 0.8%             | A / A / NR            |

| Security Type / Issuer                   | Market Value (%) | S&P / Moody's / Fitch |
|--|------------------|-----------------------|
| <b>Corporate</b>                         | <b>27.9%</b>     |                       |
| EXXON MOBIL CORP                         | 0.4%             | AA / Aa / NR          |
| GENERAL DYNAMICS CORP                    | 0.6%             | A / A / NR            |
| GOLDMAN SACHS GROUP INC                  | 0.7%             | BBB / A / A           |
| HOME DEPOT INC                           | 0.3%             | A / A / A             |
| INTEL CORPORATION                        | 0.7%             | A / A / A             |
| JP MORGAN CHASE & CO                     | 1.2%             | A / A / AA            |
| LINDE PLC                                | 0.7%             | A / A / NR            |
| LOCKHEED MARTIN CORP                     | 0.2%             | A / A / A             |
| MERCK & CO INC                           | 0.4%             | A / A / NR            |
| MORGAN STANLEY                           | 0.7%             | A / A / A             |
| NATIONAL RURAL UTILITIES CO FINANCE CORP | 0.5%             | A / A / A             |
| PACCAR FINANCIAL CORP                    | 0.7%             | A / A / NR            |
| PEPSICO INC                              | 0.6%             | A / A / NR            |
| PNC FINANCIAL SERVICES GROUP             | 0.0%             | A / A / A             |
| RABOBANK NEDERLAND                       | 1.0%             | A / Aa / AA           |
| ROYAL BANK OF CANADA                     | 1.2%             | A / A / AA            |
| ROYAL DUTCH SHELL PLC                    | 0.6%             | A / Aa / AA           |
| STATE STREET CORPORATION                 | 1.1%             | A / A / AA            |
| SUMITOMO MITSUI FINANCIAL GROUP INC      | 0.8%             | A / A / NR            |
| TARGET CORP                              | 0.3%             | A / A / A             |
| TEXAS INSTRUMENTS INC                    | 0.1%             | A / Aa / NR           |
| THE BANK OF NEW YORK MELLON CORPORATION  | 0.7%             | A / A / AA            |
| TORONTO-DOMINION BANK                    | 1.2%             | A / A / AA            |
| TOYOTA MOTOR CORP                        | 0.7%             | A / A / A             |
| TRUIST FIN CORP                          | 0.7%             | A / A / A             |

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

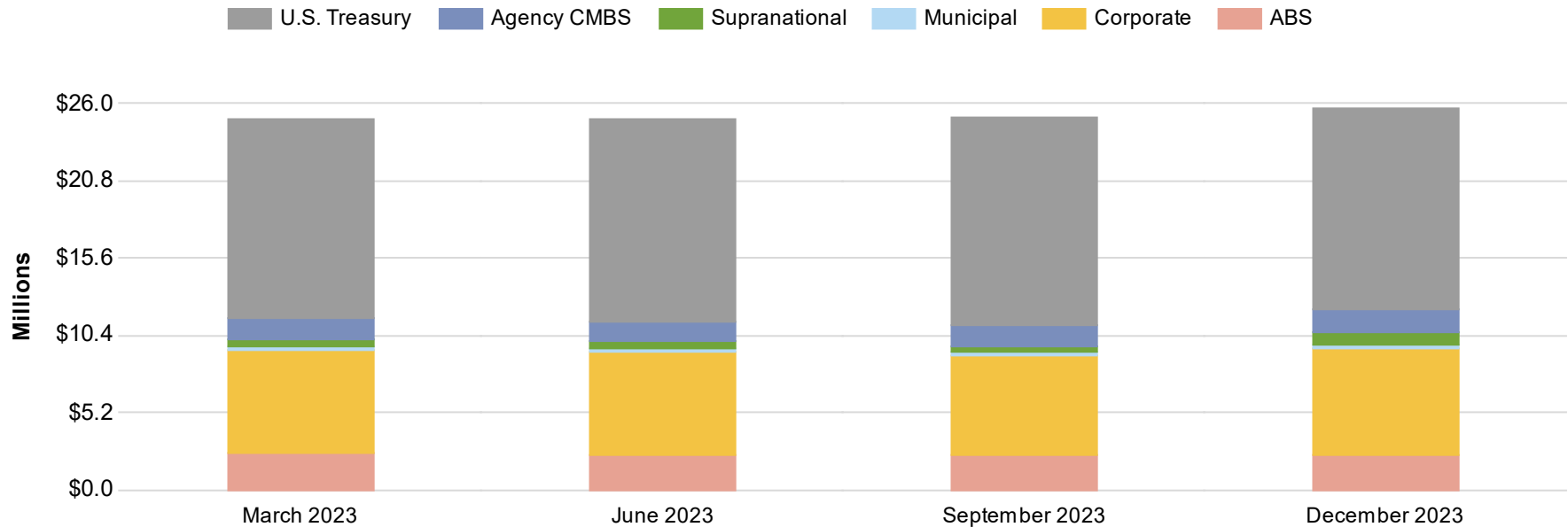
## Issuer Diversification

| Security Type / Issuer                 | Market Value (%) | S&P / Moody's / Fitch |
|--|------------------|-----------------------|
| <b>Corporate</b>                       | <b>27.9%</b>     |                       |
| UNITED PARCEL SERVICE INC              | 0.4%             | A / A / NR            |
| WAL-MART STORES INC                    | 0.6%             | AA / Aa / AA          |
| WELLS FARGO & COMPANY                  | 0.6%             | BBB / A / A           |
| WESTPAC BANKING CORP                   | 1.2%             | AA / Aa / A           |
| <b>ABS</b>                             | <b>9.3%</b>      |                       |
| ALLY AUTO RECEIVABLES TRUST            | 0.6%             | AAA / Aaa / NR        |
| AMERICAN EXPRESS CO                    | 0.7%             | AAA / NR / AAA        |
| BANK OF AMERICA CO                     | 0.2%             | NR / Aaa / AAA        |
| BMW VEHICLE OWNER TRUST                | 0.3%             | AAA / Aaa / NR        |
| CAPITAL ONE FINANCIAL CORP             | 1.2%             | AAA / Aaa / AAA       |
| CARMAX AUTO OWNER TRUST                | 1.8%             | AAA / Aaa / AAA       |
| CNH EQUIPMENT TRUST                    | 0.2%             | NR / Aaa / AAA        |
| DISCOVER FINANCIAL SERVICES            | 1.3%             | AAA / Aaa / AAA       |
| FORD CREDIT AUTO OWNER TRUST           | 0.3%             | NR / Aaa / AAA        |
| GM FINANCIAL CONSUMER AUTOMOBILE TRUST | 0.2%             | AAA / Aaa / NR        |
| HARLEY-DAVIDSON MOTORCYCLE TRUST       | 0.3%             | AAA / Aaa / NR        |
| HONDA AUTO RECEIVABLES                 | 0.2%             | AAA / NR / AAA        |
| HYUNDAI AUTO RECEIVABLES               | 0.4%             | AAA / NR / AAA        |
| JOHN DEERE OWNER TRUST                 | 0.3%             | NR / Aaa / AAA        |
| TOYOTA MOTOR CORP                      | 0.6%             | AAA / Aaa / AAA       |
| WORLD OMNI AUTO REC TRUST              | 0.9%             | AAA / NR / AAA        |
| <b>Total</b>                           | <b>100.0%</b>    |                       |

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

### Sector Allocation Review - CSC BROWARD COUNTY CORE PORTFOLIO

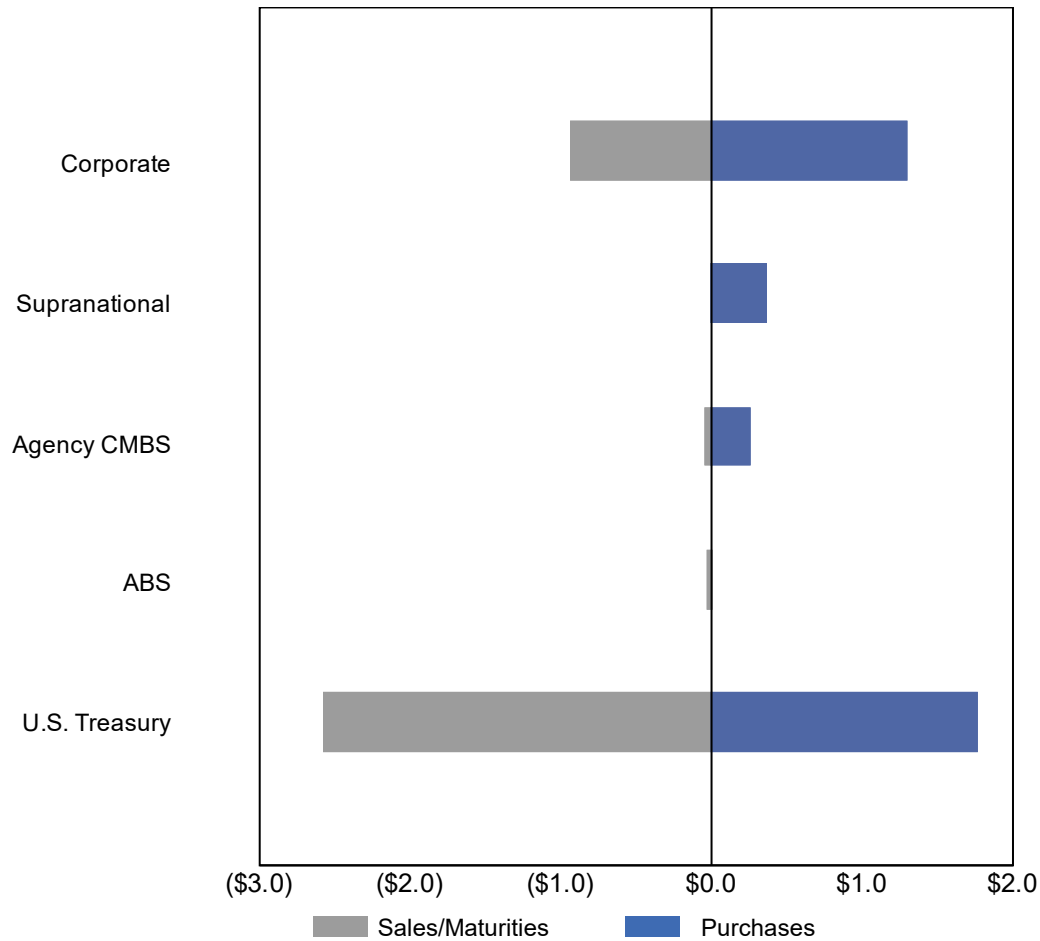
| Security Type | Mar-23        | % of Total    | Jun-23        | % of Total    | Sep-23        | % of Total    | Dec-23        | % of Total    |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| U.S. Treasury | \$13.4        | 53.7%         | \$13.5        | 54.4%         | \$14.0        | 55.7%         | \$13.4        | 52.4%         |
| Agency CMBS   | \$1.4         | 5.7%          | \$1.4         | 5.6%          | \$1.4         | 5.6%          | \$1.6         | 6.4%          |
| Supranational | \$0.4         | 1.7%          | \$0.4         | 1.7%          | \$0.4         | 1.7%          | \$0.8         | 3.1%          |
| Municipal     | \$0.2         | 0.9%          | \$0.2         | 0.9%          | \$0.2         | 0.9%          | \$0.2         | 0.9%          |
| Corporate     | \$7.0         | 28.3%         | \$6.9         | 27.8%         | \$6.6         | 26.5%         | \$7.1         | 27.8%         |
| ABS           | \$2.4         | 9.7%          | \$2.4         | 9.6%          | \$2.4         | 9.6%          | \$2.4         | 9.4%          |
| <b>Total</b>  | <b>\$24.9</b> | <b>100.0%</b> | <b>\$24.9</b> | <b>100.0%</b> | <b>\$25.0</b> | <b>100.0%</b> | <b>\$25.6</b> | <b>100.0%</b> |



Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.

## Portfolio Activity - CSC BROWARD COUNTY CORE PORTFOLIO

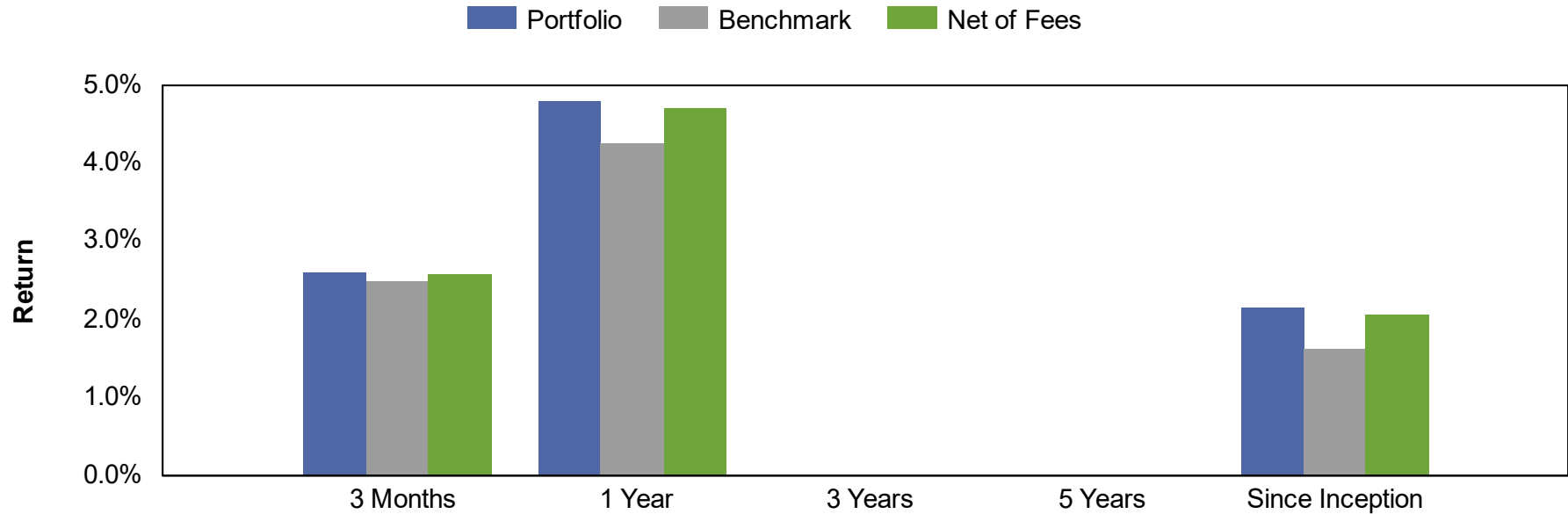
**Net Activity by Sector**  
(\$ millions)



| Sector                    | Net Activity     |
|---------------------------|------------------|
| Corporate                 | \$365,256        |
| Supranational             | \$364,234        |
| Agency CMBS               | \$223,001        |
| ABS                       | (\$24,308)       |
| U.S. Treasury             | (\$801,303)      |
| <b>Total Net Activity</b> | <b>\$126,879</b> |

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

### Portfolio Performance

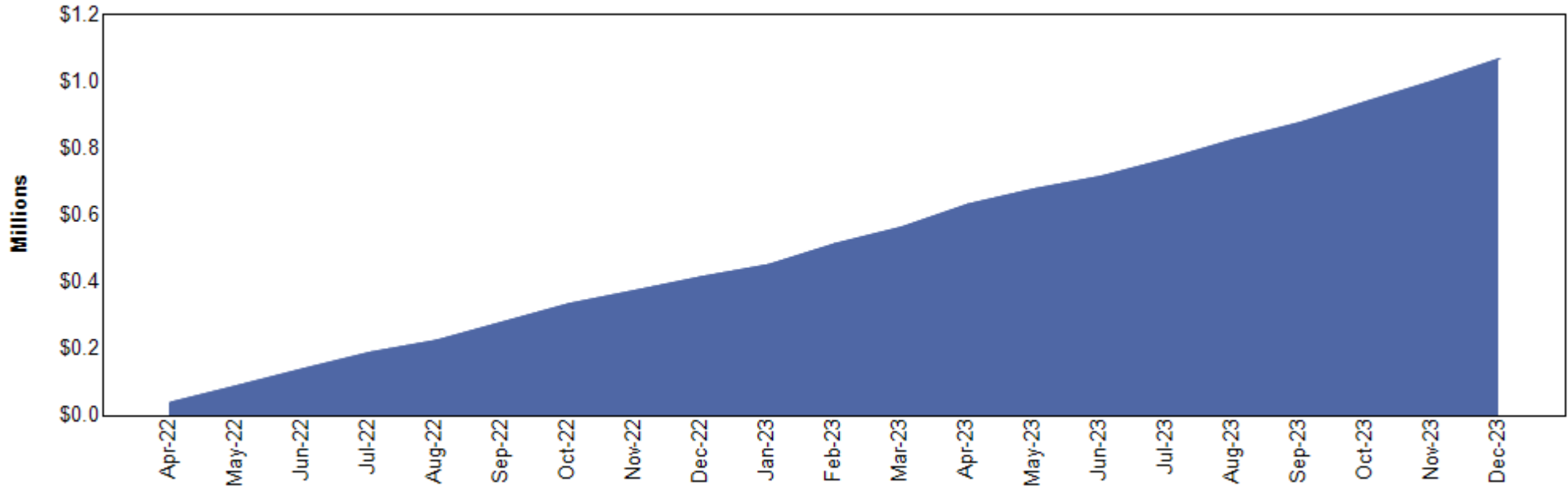


| Market Value Basis Earnings     | 3 Months         | 1 Year             | 3 Years | 5 Years | Since Inception <sup>1</sup> |
|---------------------------------|------------------|--------------------|---------|---------|------------------------------|
| Interest Earned <sup>2</sup>    | \$234,794        | \$792,129          | -       | -       | \$1,154,466                  |
| Change in Market Value          | \$421,622        | \$398,987          | -       | -       | (\$200,228)                  |
| <b>Total Dollar Return</b>      | <b>\$656,416</b> | <b>\$1,191,116</b> | -       | -       | <b>\$954,238</b>             |
| <b>Total Return<sup>3</sup></b> |                  |                    |         |         |                              |
| Portfolio                       | 2.59%            | 4.81%              | -       | -       | 2.16%                        |
| Benchmark <sup>4</sup>          | 2.49%            | 4.26%              | -       | -       | 1.62%                        |
| <b>Basis Point Fee</b>          | 0.02%            | 0.10%              | -       | -       | 0.10%                        |
| <b>Net of Fee Return</b>        | <b>2.57%</b>     | <b>4.71%</b>       | -       | -       | <b>2.06%</b>                 |

1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is March 31, 2022.  
 2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.  
 3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.  
 4. The portfolio's benchmark is the ICE BofA 1-3 Year U.S. Treasury Index. Source: Bloomberg.



### Accrual Basis Earnings - CSC BROWARD COUNTY CORE PORTFOLIO



| Accrual Basis Earnings                 | 3 Months         | 1 Year           | 3 Years | 5 Year | Since Inception <sup>1</sup> |
|--|------------------|------------------|---------|--------|------------------------------|
| Interest Earned <sup>2</sup>           | \$234,794        | \$792,129        | -       | -      | \$1,154,466                  |
| Realized Gains / (Losses) <sup>3</sup> | (\$63,233)       | (\$238,124)      | -       | -      | (\$316,434)                  |
| Change in Amortized Cost               | \$19,807         | \$98,870         | -       | -      | \$230,572                    |
| <b>Total Earnings</b>                  | <b>\$191,368</b> | <b>\$652,876</b> | -       | -      | <b>\$1,068,604</b>           |

1. The lesser of 10 years or since inception is shown. Performance inception date is March 31, 2022.  
 2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.  
 3. Realized gains / (losses) are shown on an amortized cost basis.

**Issuer Distribution  
As of December 31, 2023**

| Issuer                                  | Market Value (\$) | % of Portfolio |
|---|-------------------|----------------|
| UNITED STATES TREASURY                  | 13,402,549        | 52.33%         |
| FREDDIE MAC                             | 1,517,446         | 5.92%          |
| CARMAX AUTO OWNER TRUST                 | 454,778           | 1.77%          |
| BANK OF AMERICA CO                      | 440,906           | 1.72%          |
| ASIAN DEVELOPMENT BANK                  | 430,107           | 1.68%          |
| AFRICAN DEVELOPMENT BANK                | 370,259           | 1.45%          |
| AMERICAN EXPRESS CO                     | 333,484           | 1.30%          |
| DISCOVER FINANCIAL SERVICES             | 328,190           | 1.28%          |
| TOYOTA MOTOR CORP                       | 326,564           | 1.28%          |
| CAPITAL ONE FINANCIAL CORP              | 318,750           | 1.24%          |
| WESTPAC BANKING CORP                    | 313,172           | 1.22%          |
| JP MORGAN CHASE & CO                    | 307,640           | 1.20%          |
| TORONTO-DOMINION BANK                   | 300,225           | 1.17%          |
| ROYAL BANK OF CANADA                    | 298,486           | 1.17%          |
| STATE STREET CORPORATION                | 292,249           | 1.14%          |
| COMMONWEALTH BANK OF AUSTRALIA          | 253,109           | 0.99%          |
| RABOBANK NEDERLAND                      | 247,527           | 0.97%          |
| WORLD OMNI AUTO REC TRUST               | 220,705           | 0.86%          |
| DIAGEO CAPITAL PLC                      | 204,103           | 0.80%          |
| BANK OF MONTREAL                        | 201,181           | 0.79%          |
| SUMITOMO MITSUI FINANCIAL GROUP INC     | 197,146           | 0.77%          |
| BANK OF NOVA SCOTIA                     | 189,445           | 0.74%          |
| THE BANK OF NEW YORK MELLON CORPORATION | 188,594           | 0.74%          |
| MORGAN STANLEY                          | 186,606           | 0.73%          |

| Issuer                                   | Market Value (\$) | % of Portfolio |
|--|-------------------|----------------|
| LINDE PLC                                | 184,966           | 0.72%          |
| CITIGROUP INC                            | 183,952           | 0.72%          |
| INTEL CORPORATION                        | 176,864           | 0.69%          |
| TRUIST FIN CORP                          | 176,604           | 0.69%          |
| DEERE & COMPANY                          | 175,506           | 0.69%          |
| AMERICAN HONDA FINANCE                   | 174,524           | 0.68%          |
| GOLDMAN SACHS GROUP INC                  | 173,418           | 0.68%          |
| PACCAR FINANCIAL CORP                    | 169,545           | 0.66%          |
| COMMONWEALTH OF MASSACHUSETTS            | 167,895           | 0.66%          |
| ALLY AUTO RECEIVABLES TRUST              | 150,688           | 0.59%          |
| WAL-MART STORES INC                      | 148,777           | 0.58%          |
| ROYAL DUTCH SHELL PLC                    | 147,441           | 0.58%          |
| GENERAL DYNAMICS CORP                    | 147,305           | 0.58%          |
| WELLS FARGO & COMPANY                    | 146,700           | 0.57%          |
| PEPSICO INC                              | 146,085           | 0.57%          |
| CANADIAN IMPERIAL BANK OF COMMERCE       | 145,181           | 0.57%          |
| FANNIE MAE                               | 131,272           | 0.51%          |
| NATIONAL RURAL UTILITIES CO FINANCE CORP | 121,028           | 0.47%          |
| HYUNDAI AUTO RECEIVABLES                 | 108,372           | 0.42%          |
| UNITED PARCEL SERVICE INC                | 98,865            | 0.39%          |
| MERCK & CO INC                           | 97,788            | 0.38%          |
| EXXON MOBIL CORP                         | 97,665            | 0.38%          |
| ADOBE INC                                | 96,713            | 0.38%          |
| CATERPILLAR INC                          | 95,590            | 0.37%          |
| HARLEY-DAVIDSON MOTORCYCLE TRUST         | 84,531            | 0.33%          |
| TARGET CORP                              | 79,320            | 0.31%          |
| FORD CREDIT AUTO OWNER TRUST             | 69,139            | 0.27%          |

| Issuer                                 | Market Value (\$) | % of Portfolio |
|--|-------------------|----------------|
| JOHN DEERE OWNER TRUST                 | 68,800            | 0.27%          |
| BMW VEHICLE OWNER TRUST                | 67,187            | 0.26%          |
| HOME DEPOT INC                         | 65,456            | 0.26%          |
| STATE OF CONNECTICUT                   | 63,614            | 0.25%          |
| GM FINANCIAL CONSUMER AUTOMOBILE TRUST | 58,816            | 0.23%          |
| CINTAS CORPORATION NO. 2               | 54,010            | 0.21%          |
| COLGATE-PALMOLIVE COMPANY              | 50,606            | 0.20%          |
| CNH EQUIPMENT TRUST                    | 44,211            | 0.17%          |
| LOCKHEED MARTIN CORP                   | 40,267            | 0.16%          |
| HONDA AUTO RECEIVABLES                 | 39,430            | 0.15%          |
| TEXAS INSTRUMENTS INC                  | 24,883            | 0.10%          |
| PNC FINANCIAL SERVICES GROUP           | 9,884             | 0.04%          |
| <b>Grand Total</b>                     | <b>25,606,117</b> | <b>100.00%</b> |

## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity | CUSIP     | Par          | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value |
|---|-----------|--------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| <b>U.S. Treasury</b>                                    |           |              |               |                   |               |                |                  |                |                     |                   |                 |
| US TREASURY NOTES<br>DTD 10/31/2017 2.250% 10/31/2024   | 9128283D0 | 700,000.00   | AA+           | Aaa               | 4/1/2022      | 4/5/2022       | 693,628.91       | 2.62           | 2,682.69            | 697,939.56        | 684,796.84      |
| US TREASURY NOTES<br>DTD 02/15/2022 1.500% 02/15/2025   | 91282CDZ1 | 560,000.00   | AA+           | Aaa               | 3/29/2022     | 3/30/2022      | 543,593.76       | 2.56           | 3,172.83            | 553,596.42        | 540,400.00      |
| US TREASURY NOTES<br>DTD 07/15/2022 3.000% 07/15/2025   | 91282CEY3 | 600,000.00   | AA+           | Aaa               | 8/3/2022      | 8/5/2022       | 598,875.00       | 3.07           | 8,315.22            | 599,412.91        | 586,875.00      |
| US TREASURY NOTES<br>DTD 08/31/2023 5.000% 08/31/2025   | 91282CHV6 | 750,000.00   | AA+           | Aaa               | 9/6/2023      | 9/11/2023      | 749,853.52       | 5.01           | 12,671.70           | 749,876.31        | 757,031.25      |
| US TREASURY NOTES<br>DTD 10/15/2022 4.250% 10/15/2025   | 91282CFP1 | 1,000,000.00 | AA+           | Aaa               | 11/2/2022     | 11/4/2022      | 993,437.50       | 4.49           | 9,057.38            | 996,017.37        | 998,281.20      |
| US TREASURY NOTES<br>DTD 11/15/2022 4.500% 11/15/2025   | 91282CFW6 | 975,000.00   | AA+           | Aaa               | 12/5/2022     | 12/7/2022      | 985,207.04       | 4.12           | 5,665.18            | 981,500.57        | 978,351.56      |
| US TREASURY NOTES<br>DTD 12/15/2022 4.000% 12/15/2025   | 91282CGA3 | 685,000.00   | AA+           | Aaa               | 1/5/2023      | 1/6/2023       | 681,521.48       | 4.18           | 1,272.68            | 682,687.46        | 681,468.00      |
| US TREASURY NOTES<br>DTD 01/15/2023 3.875% 01/15/2026   | 91282CGE5 | 180,000.00   | AA+           | Aaa               | 4/18/2023     | 4/20/2023      | 179,655.47       | 3.95           | 3,222.15            | 179,743.58        | 178,650.00      |
| US TREASURY NOTES<br>DTD 01/15/2023 3.875% 01/15/2026   | 91282CGE5 | 725,000.00   | AA+           | Aaa               | 1/30/2023     | 2/1/2023       | 723,215.82       | 3.96           | 12,978.09           | 723,768.11        | 719,562.50      |
| US TREASURY NOTES<br>DTD 02/15/2023 4.000% 02/15/2026   | 91282CGL9 | 1,000,000.00 | AA+           | Aaa               | 3/2/2023      | 3/6/2023       | 982,734.38       | 4.63           | 15,108.70           | 987,559.78        | 995,625.00      |
| US TREASURY NOTES<br>DTD 04/15/2023 3.750% 04/15/2026   | 91282CGV7 | 1,390,000.00 | AA+           | Aaa               | 5/1/2023      | 5/3/2023       | 1,386,742.19     | 3.83           | 11,108.61           | 1,387,476.56      | 1,377,403.13    |
| US TREASURY NOTES<br>DTD 05/15/2023 3.625% 05/15/2026   | 91282CHB0 | 1,395,000.00 | AA+           | Aaa               | 6/1/2023      | 6/5/2023       | 1,380,777.54     | 4.00           | 6,529.48            | 1,383,555.88      | 1,379,088.35    |
| US TREASURY NOTES<br>DTD 06/15/2023 4.125% 06/15/2026   | 91282CHH7 | 535,000.00   | AA+           | Aaa               | 6/28/2023     | 6/29/2023      | 531,300.98       | 4.38           | 1,025.05            | 531,936.86        | 535,000.00      |
| US TREASURY NOTES<br>DTD 07/15/2023 4.500% 07/15/2026   | 91282CHM6 | 840,000.00   | AA+           | Aaa               | 8/1/2023      | 8/3/2023       | 838,425.00       | 4.57           | 17,461.96           | 838,645.82        | 848,137.50      |
| US TREASURY NOTES<br>DTD 08/15/2023 4.375% 08/15/2026   | 91282CHU8 | 350,000.00   | AA+           | Aaa               | 9/19/2023     | 9/19/2023      | 345,871.09       | 4.81           | 5,783.80            | 346,275.81        | 352,515.62      |

| Security Type/Description<br>Dated Date/Coupon/Maturity                      | CUSIP     | Par                  | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost     | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost    | Market<br>Value      |
|--|-----------|----------------------|---------------|-------------------|---------------|----------------|----------------------|----------------|---------------------|----------------------|----------------------|
| <b>U.S. Treasury</b>   |           |                      |               |                   |               |                |                      |                |                     |                      |                      |
| US TREASURY NOTES<br>DTD 08/15/2023 4.375% 08/15/2026                        | 91282CHU8 | 370,000.00           | AA+           | Aaa               | 9/6/2023      | 9/11/2023      | 366,473.44           | 4.73           | 6,114.30            | 366,842.92           | 372,659.38           |
| US TREASURY NOTES<br>DTD 09/15/2023 4.625% 09/15/2026                        | 91282CHY0 | 160,000.00           | AA+           | Aaa               | 10/3/2023     | 10/5/2023      | 158,856.25           | 4.89           | 2,195.60            | 158,944.13           | 162,250.00           |
| US TREASURY NOTES<br>DTD 10/15/2023 4.625% 10/15/2026                        | 91282CJC6 | 450,000.00           | AA+           | Aaa               | 11/7/2023     | 11/9/2023      | 449,402.34           | 4.67           | 4,435.45            | 449,430.00           | 456,820.29           |
| US TREASURY N/B NOTES<br>DTD 11/15/2023 4.625% 11/15/2026                    | 91282CJK8 | 785,000.00           | AA+           | Aaa               | 12/7/2023     | 12/11/2023     | 791,470.12           | 4.32           | 4,687.89            | 791,350.33           | 797,633.63           |
| <b>Security Type Sub-Total</b>   |           | <b>13,450,000.00</b> |               |                   |               |                | <b>13,381,041.83</b> | <b>4.11</b>    | <b>133,488.76</b>   | <b>13,406,560.38</b> | <b>13,402,549.25</b> |
| <b>Supranational</b>   |           |                      |               |                   |               |                |                      |                |                     |                      |                      |
| ASIAN DEVELOPMENT BANK NOTES<br>DTD 04/27/2022 2.875% 05/06/2025             | 045167FM0 | 440,000.00           | AAA           | Aaa               | 4/20/2022     | 4/27/2022      | 439,480.80           | 2.92           | 1,932.64            | 439,769.30           | 430,106.60           |
| AFRICAN DEVELOPMENT BANK<br>NOTES<br>DTD 11/29/2023 4.625% 01/04/2027        | 00828EEY1 | 365,000.00           | AAA           | Aaa               | 11/21/2023    | 11/29/2023     | 364,233.50           | 4.70           | 1,500.56            | 364,254.17           | 370,258.56           |
| <b>Security Type Sub-Total</b>   |           | <b>805,000.00</b>    |               |                   |               |                | <b>803,714.30</b>    | <b>3.74</b>    | <b>3,433.20</b>     | <b>804,023.47</b>    | <b>800,365.16</b>    |
| <b>Municipal</b>   |           |                      |               |                   |               |                |                      |                |                     |                      |                      |
| MASSACHUSETTS CMNWLTH<br>MUNICIPAL BONDS<br>DTD 08/30/2022 3.660% 01/15/2025 | 576004GY5 | 170,000.00           | NR            | Aa1               | 8/17/2022     | 8/30/2022      | 170,000.00           | 3.66           | 2,869.03            | 170,000.00           | 167,895.40           |
| CONNECTICUT ST-A-TXBL MUNICIPAL<br>BONDS<br>DTD 06/22/2022 3.292% 06/15/2025 | 20772KQH5 | 65,000.00            | AA-           | Aa3               | 5/26/2022     | 6/22/2022      | 65,000.00            | 3.29           | 95.10               | 65,000.00            | 63,614.20            |
| <b>Security Type Sub-Total</b>   |           | <b>235,000.00</b>    |               |                   |               |                | <b>235,000.00</b>    | <b>3.56</b>    | <b>2,964.13</b>     | <b>235,000.00</b>    | <b>231,509.60</b>    |
| <b>Corporate</b>   |           |                      |               |                   |               |                |                      |                |                     |                      |                      |
| SUMITOMO MITSUI FINL GRP CORP<br>BONDS<br>DTD 07/16/2019 2.696% 07/16/2024   | 86562MBM1 | 200,000.00           | A-            | A1                | 3/29/2022     | 3/31/2022      | 198,042.00           | 3.14           | 2,471.33            | 199,539.71           | 197,145.60           |

| Security Type/Description<br>Dated Date/Coupon/Maturity                         | CUSIP     | Par        | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value |
|---|-----------|------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| <b>Corporate</b>  |           |            |               |                   |               |                |                  |                |                     |                   |                 |
| AMERICAN EXPRESS CO CORP<br>NOTES (CALLABLE<br>DTD 07/30/2019 2.500% 07/30/2024 | 025816CG2 | 150,000.00 | BBB+          | A2                | 3/29/2022     | 3/31/2022      | 149,266.50       | 2.72           | 1,572.92            | 149,818.35        | 147,340.50      |
| PACCAR FINANCIAL CORP NOTES<br>DTD 08/15/2019 2.150% 08/15/2024                 | 69371RQ25 | 100,000.00 | A+            | A1                | 3/29/2022     | 3/31/2022      | 98,744.00        | 2.70           | 812.22              | 99,671.53         | 98,020.30       |
| COOPERAT RABOBANK UA/NY<br>CORPORATE NOTES<br>DTD 08/22/2022 3.875% 08/22/2024  | 21688AAU6 | 250,000.00 | A+            | Aa2               | 8/16/2022     | 8/22/2022      | 250,267.50       | 3.82           | 3,471.35            | 250,085.63        | 247,526.50      |
| TRUIST FIN CORP NOTES (CALLABLE)<br>DTD 10/26/2017 2.850% 10/26/2024            | 05531FBB8 | 80,000.00  | A-            | A3                | 4/5/2022      | 4/7/2022       | 79,702.40        | 3.00           | 411.67              | 79,904.63         | 78,324.80       |
| TEXAS INSTRUMENTS INC<br>CORPORATE NOTES<br>DTD 11/18/2022 4.700% 11/18/2024    | 882508BR4 | 25,000.00  | A+            | Aa3               | 11/15/2022    | 11/18/2022     | 24,988.75        | 4.72           | 140.35              | 24,995.04         | 24,882.98       |
| TORONTO-DOMINION BANK<br>CORPORATE NOTES<br>DTD 01/12/2022 1.450% 01/10/2025    | 89114TZL9 | 100,000.00 | A             | A1                | 4/6/2022      | 4/8/2022       | 95,525.00        | 3.16           | 688.75              | 98,335.19         | 96,279.70       |
| ROYAL BANK OF CANADA<br>CORPORATE NOTES<br>DTD 01/21/2022 1.600% 01/21/2025     | 78016EYM3 | 100,000.00 | A             | A1                | 4/6/2022      | 4/8/2022       | 96,195.00        | 3.03           | 711.11              | 98,558.66         | 96,406.50       |
| BANK OF AMERICA CORP NOTES<br>DTD 01/22/2015 4.000% 01/22/2025                  | 06051GFM6 | 150,000.00 | BBB+          | A3                | 3/29/2022     | 3/31/2022      | 152,590.50       | 3.35           | 2,650.00            | 150,975.22        | 147,564.00      |
| BANK OF AMERICA CORP NOTES<br>DTD 01/22/2015 4.000% 01/22/2025                  | 06051GFM6 | 80,000.00  | BBB+          | A3                | 4/20/2022     | 4/22/2022      | 80,687.20        | 3.67           | 1,413.33            | 80,264.36         | 78,700.80       |
| JPMORGAN CHASE & CO CORP<br>NOTES<br>DTD 01/23/2015 3.125% 01/23/2025           | 46625HKC3 | 150,000.00 | A-            | A1                | 3/29/2022     | 3/31/2022      | 150,720.00       | 2.95           | 2,057.29            | 150,227.45        | 146,866.95      |
| CANADIAN IMPERIAL BANK<br>DTD 01/28/2020 2.250% 01/28/2025                      | 13607GLZ5 | 150,000.00 | A-            | A2                | 3/29/2022     | 3/31/2022      | 146,374.50       | 3.15           | 1,434.38            | 148,622.03        | 145,180.80      |
| ADOBE INC (CALLABLE) CORP NOTE<br>DTD 02/03/2020 1.900% 02/01/2025              | 00724PAB5 | 100,000.00 | A+            | A2                | 3/29/2022     | 3/31/2022      | 97,539.00        | 2.81           | 791.67              | 99,058.75         | 96,712.60       |
| NATIONAL RURAL UTIL COOP<br>CORPORATE NOTES<br>DTD 02/07/2022 1.875% 02/07/2025 | 63743HFC1 | 100,000.00 | A-            | A2                | 3/29/2022     | 3/31/2022      | 96,777.00        | 3.06           | 750.00              | 98,755.87         | 96,544.20       |
| MERCK & CO INC CORP NOTES<br>DTD 02/10/2015 2.750% 02/10/2025                   | 58933YAR6 | 100,000.00 | A+            | A1                | 3/29/2022     | 3/31/2022      | 100,098.00       | 2.71           | 1,077.08            | 100,032.22        | 97,788.30       |

| Security Type/Description<br>Dated Date/Coupon/Maturity                         | CUSIP     | Par        | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value |
|---|-----------|------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| <b>Corporate</b>  |           |            |               |                   |               |                |                  |                |                     |                   |                 |
| WELLS FARGO & COMPANY NOTES<br>DTD 02/19/2015 3.000% 02/19/2025                 | 94974BGH7 | 150,000.00 | BBB+          | A1                | 3/29/2022     | 3/31/2022      | 149,997.00       | 3.00           | 1,650.00            | 149,998.82        | 146,699.85      |
| WESTPAC BANKING CORP<br>CORPORATE NOTES<br>DTD 11/19/2019 2.350% 02/19/2025     | 961214EH2 | 150,000.00 | AA-           | Aa3               | 3/29/2022     | 3/31/2022      | 147,616.50       | 2.93           | 1,292.50            | 149,063.30        | 145,533.45      |
| EXXON MOBIL CORP CORPORATE NT<br>(CALLABLE)<br>DTD 03/06/2015 2.709% 03/06/2025 | 30231GAF9 | 100,000.00 | AA-           | Aa2               | 3/29/2022     | 3/31/2022      | 99,669.00        | 2.83           | 865.38              | 99,867.11         | 97,665.00       |
| HONDA MOTOR CO CORP NOTES<br>(CALLABLE)<br>DTD 03/10/2022 2.271% 03/10/2025     | 438127AA0 | 180,000.00 | A-            | A3                | 4/6/2022      | 4/8/2022       | 176,713.20       | 2.93           | 1,260.41            | 178,663.10        | 174,524.22      |
| INTEL CORP (CALLABLE) CORPORATE<br>NOTES<br>DTD 03/25/2020 3.400% 03/25/2025    | 458140BP4 | 80,000.00  | A             | A2                | 4/6/2022      | 4/8/2022       | 80,822.40        | 3.03           | 725.33              | 80,328.49         | 78,606.08       |
| INTEL CORP (CALLABLE) CORPORATE<br>NOTES<br>DTD 03/25/2020 3.400% 03/25/2025    | 458140BP4 | 100,000.00 | A             | A2                | 3/29/2022     | 3/31/2022      | 101,575.00       | 2.85           | 906.67              | 100,624.36        | 98,257.60       |
| UNITED PARCEL SERVICE CORP<br>NOTES (CALLAB<br>DTD 03/24/2020 3.900% 04/01/2025 | 911312BX3 | 100,000.00 | A             | A2                | 3/29/2022     | 3/31/2022      | 102,957.00       | 2.87           | 975.00              | 101,178.92        | 98,864.70       |
| DEERE & COMPANY CORPORATE<br>NOTES (CALLABL<br>DTD 03/30/2020 2.750% 04/15/2025 | 244199BH7 | 180,000.00 | A             | A2                | 4/20/2022     | 4/22/2022      | 177,719.40       | 3.20           | 1,045.00            | 179,015.72        | 175,505.94      |
| PEPSICO INCMCORP NOTES<br>(CALLABLE)<br>DTD 04/30/2015 2.750% 04/30/2025        | 713448CT3 | 150,000.00 | A+            | A1                | 4/20/2022     | 4/22/2022      | 148,953.00       | 2.99           | 698.96              | 149,540.04        | 146,085.30      |
| SUNTRUST BANKS INC (CALLABLE)<br>CORP NOTE<br>DTD 04/26/2018 4.000% 05/01/2025  | 867914BS1 | 100,000.00 | A-            | A3                | 4/5/2022      | 4/7/2022       | 102,376.00       | 3.18           | 666.67              | 100,953.54        | 98,279.20       |
| CINTAS CORPORATION NO. 2 CORP<br>NOTE (CALL<br>DTD 05/03/2022 3.450% 05/01/2025 | 17252MAP5 | 55,000.00  | A-            | A3                | 4/26/2022     | 5/3/2022       | 54,987.90        | 3.46           | 316.25              | 54,994.62         | 54,010.33       |
| SHELL INTERNATIONAL FIN<br>CORPORATE NOTES<br>DTD 05/11/2015 3.250% 05/11/2025  | 822582BD3 | 150,000.00 | A+            | Aa2               | 4/4/2022      | 4/6/2022       | 151,617.00       | 2.88           | 677.08              | 150,709.14        | 147,441.45      |



| Security Type/Description<br>Dated Date/Coupon/Maturity                         | CUSIP     | Par        | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value |
|---|-----------|------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| <b>Corporate</b>  |           |            |               |                   |               |                |                  |                |                     |                   |                 |
| CATERPILLAR FINL SERVICE<br>CORPORATE NOTES<br>DTD 05/15/2020 1.450% 05/15/2025 | 14913R2C0 | 100,000.00 | A             | A2                | 4/20/2022     | 4/22/2022      | 95,063.00        | 3.15           | 185.28              | 97,794.01         | 95,590.20       |
| GENERAL DYNAMICS CORP<br>(CALLABLE) CORP NO<br>DTD 05/11/2018 3.500% 05/15/2025 | 369550BG2 | 150,000.00 | A-            | A3                | 4/5/2022      | 4/7/2022       | 152,328.00       | 2.97           | 670.83              | 150,952.46        | 147,305.10      |
| CITIGROUP INC CORP NOTES<br>(CALLABLE)<br>DTD 05/24/2022 4.140% 05/24/2025      | 172967NQ0 | 185,000.00 | BBB+          | A3                | 5/17/2022     | 5/24/2022      | 185,000.00       | 4.14           | 787.18              | 185,000.00        | 183,952.16      |
| BANK OF MONTREAL CORPORATE<br>NOTES<br>DTD 06/07/2022 3.700% 06/07/2025         | 06368D3S1 | 50,000.00  | A-            | A2                | 5/31/2022     | 6/7/2022       | 49,988.50        | 3.71           | 123.33              | 49,994.51         | 49,021.90       |
| NATIONAL RURAL UTIL COOP<br>CORPORATE NOTES<br>DTD 05/04/2022 3.450% 06/15/2025 | 63743HFE7 | 25,000.00  | A-            | A2                | 4/27/2022     | 5/4/2022       | 24,993.25        | 3.46           | 38.33               | 24,996.85         | 24,484.03       |
| MORGAN STANLEY CORP NOTES<br>DTD 07/23/2015 4.000% 07/23/2025                   | 6174468C6 | 100,000.00 | A-            | A1                | 4/5/2022      | 4/7/2022       | 101,885.00       | 3.39           | 1,755.56            | 100,891.58        | 98,643.60       |
| WALMART INC CORPORATE NOTES<br>DTD 09/09/2022 3.900% 09/09/2025                 | 931142EW9 | 95,000.00  | AA            | Aa2               | 9/6/2022      | 9/9/2022       | 94,933.50        | 3.93           | 1,152.67            | 94,962.56         | 94,104.82       |
| COMMONWEALTH BK AUSTR NY<br>CORPORATE NOTES<br>DTD 09/12/2023 5.499% 09/12/2025 | 20271RAS9 | 250,000.00 | AA-           | Aa3               | 9/7/2023      | 9/12/2023      | 250,205.00       | 5.46           | 4,162.44            | 250,175.15        | 253,108.50      |
| HOME DEPOT INC NOTES (CALLABLE)<br>DTD 09/19/2022 4.000% 09/15/2025             | 437076CR1 | 20,000.00  | A             | A2                | 9/12/2022     | 9/19/2022      | 19,992.80        | 4.01           | 235.56              | 19,995.89         | 19,836.92       |
| LOCKHEED MARTIN CORP NOTES<br>(CALLABLE)<br>DTD 10/24/2022 4.950% 10/15/2025    | 539830BU2 | 40,000.00  | A-            | A2                | 10/19/2022    | 10/24/2022     | 39,886.00        | 5.05           | 418.00              | 39,931.52         | 40,267.40       |
| WESTPAC BANKING CORP<br>CORPORATE NOTES<br>DTD 11/17/2023 5.512% 11/17/2025     | 961214FL2 | 165,000.00 | AA-           | Aa3               | 11/8/2023     | 11/17/2023     | 165,000.00       | 5.51           | 1,111.59            | 165,000.00        | 167,638.19      |
| LINDE INC/CT CORPORATE NOTES<br>(CALLABLE)<br>DTD 12/05/2022 4.700% 12/05/2025  | 53522KAB9 | 185,000.00 | A             | A2                | 11/28/2022    | 12/5/2022      | 184,800.20       | 4.74           | 627.97              | 184,871.66        | 184,966.33      |
| STATE STREET CORP NOTES<br>(CALLABLE)<br>DTD 01/26/2023 4.857% 01/26/2026       | 857477BZ5 | 30,000.00  | A             | A1                | 1/23/2023     | 1/26/2023      | 30,000.00        | 4.86           | 627.36              | 30,000.00         | 29,886.51       |

| Security Type/Description<br>Dated Date/Coupon/Maturity                      | CUSIP     | Par        | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value |
|--|-----------|------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| <b>Corporate</b>   |           |            |               |                   |               |                |                  |                |                     |                   |                 |
| MORGAN STANLEY CORPORATE NOTES<br>DTD 01/27/2016 3.875% 01/27/2026           | 61746BDZ6 | 90,000.00  | A-            | A1                | 5/30/2023     | 6/1/2023       | 87,515.10        | 5.00           | 1,491.88            | 88,062.75         | 87,962.04       |
| BANK OF NOVA SCOTIA CORPORATE NOTES<br>DTD 02/02/2023 4.750% 02/02/2026      | 06417XAN1 | 190,000.00 | A-            | A2                | 7/20/2023     | 7/24/2023      | 187,091.10       | 5.41           | 3,735.35            | 187,597.95        | 189,444.82      |
| COLGATE-PALMOLIVE CO CORPORATE NOTES<br>DTD 03/01/2023 4.800% 03/02/2026     | 194162AQ6 | 50,000.00  | AA-           | Aa3               | 2/27/2023     | 3/1/2023       | 49,942.00        | 4.84           | 793.33              | 49,958.18         | 50,605.80       |
| WALMART INC CORPORATE NOTES (CALLABLE)<br>DTD 04/18/2023 4.000% 04/15/2026   | 931142FA6 | 55,000.00  | AA            | Aa2               | 4/12/2023     | 4/18/2023      | 54,975.80        | 4.02           | 464.44              | 54,981.51         | 54,671.98       |
| BANK OF AMERICA CORP NOTES<br>DTD 04/19/2016 3.500% 04/19/2026               | 06051GFX2 | 160,000.00 | A-            | A1                | 10/24/2023    | 10/26/2023     | 150,971.20       | 5.98           | 1,120.00            | 151,638.89        | 155,784.32      |
| JPMORGAN CHASE & CO (CALLABLE) CORPORATE<br>DTD 04/26/2022 4.080% 04/26/2026 | 46647PCZ7 | 80,000.00  | A-            | A1                | 4/19/2022     | 4/26/2022      | 80,000.00        | 4.08           | 589.33              | 80,000.00         | 78,752.32       |
| STATE STREET CORP NOTES (CALLABLE)<br>DTD 05/18/2023 5.104% 05/18/2026       | 857477CB7 | 120,000.00 | A             | A1                | 5/15/2023     | 5/18/2023      | 120,000.00       | 5.10           | 731.57              | 120,000.00        | 120,362.64      |
| TOYOTA MOTOR CREDIT CORP CORPORATE NOTES<br>DTD 06/18/2021 1.125% 06/18/2026 | 89236TJK2 | 200,000.00 | A+            | A1                | 7/24/2023     | 7/26/2023      | 179,502.00       | 4.97           | 81.25               | 182,582.51        | 184,197.20      |
| TORONTO-DOMINION BANK CORPORATE NOTES<br>DTD 07/17/2023 5.532% 07/17/2026    | 89115A2S0 | 200,000.00 | A             | A1                | 7/20/2023     | 7/24/2023      | 200,574.00       | 5.43           | 5,040.27            | 200,489.14        | 203,944.80      |
| ROYAL BANK OF CANADA CORPORATE NOTES<br>DTD 07/20/2023 5.200% 07/20/2026     | 78016FZZ0 | 200,000.00 | A             | A1                | 7/24/2023     | 7/26/2023      | 199,274.00       | 5.33           | 4,651.11            | 199,379.90        | 202,079.40      |
| STATE STREET CORP NOTES (CALLABLE)<br>DTD 08/03/2023 5.272% 08/03/2026       | 857477CD3 | 105,000.00 | A             | A1                | 7/31/2023     | 8/3/2023       | 105,000.00       | 5.27           | 2,275.75            | 105,000.00        | 106,483.44      |
| BANK OF NY MELLON CORP CORP NOTES<br>DTD 08/16/2016 2.450% 08/17/2026        | 06406FAE3 | 200,000.00 | A             | A1                | 11/2/2023     | 11/6/2023      | 184,674.00       | 5.46           | 1,823.89            | 185,519.57        | 188,594.20      |

| Security Type/Description<br>Dated Date/Coupon/Maturity                         | CUSIP     | Par                 | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost    | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost   | Market<br>Value     |
|---|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| <b>Corporate</b>  |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| HOME DEPOT INC CORPORATE<br>NOTES<br>DTD 12/04/2023 4.950% 09/30/2026           | 437076CV2 | 45,000.00           | A             | A2                | 11/27/2023    | 12/4/2023      | 44,901.45           | 5.03           | 167.06              | 44,903.96           | 45,618.89           |
| DIAGEO CAPITAL PLC CORPORATE<br>NOTES (CALL<br>DTD 10/05/2023 5.375% 10/05/2026 | 25243YBK4 | 200,000.00          | A-            | A3                | 10/2/2023     | 10/5/2023      | 199,458.00          | 5.47           | 2,568.06            | 199,498.28          | 204,102.60          |
| STATE STREET CORP NOTES<br>(CALLABLE)<br>DTD 11/04/2022 5.751% 11/04/2026       | 857477BX0 | 35,000.00           | A             | A1                | 11/1/2022     | 11/4/2022      | 35,000.00           | 5.75           | 318.70              | 35,000.00           | 35,515.94           |
| PACCAR FINANCIAL CORP<br>CORPORATE NOTES<br>DTD 11/09/2023 5.200% 11/09/2026    | 69371RS72 | 70,000.00           | A+            | A1                | 11/3/2023     | 11/9/2023      | 69,946.10           | 5.23           | 525.78              | 69,948.53           | 71,524.53           |
| GOLDMAN SACHS GROUP INC CORP<br>NOTES (CALL<br>DTD 11/16/2016 3.500% 11/16/2026 | 38145GAH3 | 180,000.00          | BBB+          | A2                | 11/13/2023    | 11/15/2023     | 168,307.20          | 5.89           | 787.50              | 168,808.17          | 173,418.12          |
| BANK OF MONTREAL CORPORATE<br>NOTES<br>DTD 12/11/2023 5.266% 12/11/2026         | 06368LC53 | 150,000.00          | A-            | A2                | 12/5/2023     | 12/11/2023     | 150,000.00          | 5.27           | 438.83              | 150,000.00          | 152,158.95          |
| TARGET CORP CORP NOTES<br>(CALLABLE)<br>DTD 01/24/2022 1.950% 01/15/2027        | 87612EBM7 | 85,000.00           | A             | A2                | 10/26/2023    | 10/30/2023     | 76,528.90           | 5.37           | 764.29              | 76,983.87           | 79,320.47           |
| PNC FINANCIAL SERVICES CORP<br>NOTES (CALLA<br>DTD 01/24/2023 4.758% 01/26/2027 | 693475BL8 | 10,000.00           | A-            | A3                | 1/19/2023     | 1/24/2023      | 10,000.00           | 4.76           | 204.86              | 10,000.00           | 9,883.63            |
| JPMORGAN CHASE & CO CORP NOTE<br>(CALLABLE)<br>DTD 10/23/2023 6.070% 10/22/2027 | 46647PDW3 | 80,000.00           | A-            | A1                | 10/16/2023    | 10/23/2023     | 80,000.00           | 6.07           | 917.24              | 80,000.00           | 82,021.20           |
| <b>Security Type Sub-Total</b>  |           | <b>7,230,000.00</b> |               |                   |               |                | <b>7,140,256.85</b> | <b>4.12</b>    | <b>72,919.29</b>    | <b>7,158,701.20</b> | <b>7,122,010.60</b> |
| <b>Agency CMBS</b>  |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| FHLMC MULTIFAMILY STRUCTURED<br>POOL<br>DTD 11/01/2017 3.064% 08/01/2024        | 3137FBTA4 | 216,334.60          | AA+           | Aaa               | 5/25/2022     | 5/31/2022      | 216,621.91          | 3.00           | 552.37              | 216,411.77          | 213,053.22          |

| Security Type/Description<br>Dated Date/Coupon/Maturity  | CUSIP     | Par                 | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost    | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost   | Market<br>Value     |
|--|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| <b>Agency CMBS</b>                                       |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| FHMS K041 A2<br>DTD 12/16/2014 3.171% 10/01/2024         | 3137BFE98 | 207,757.01          | AA+           | Aaa               | 8/30/2022     | 9/2/2022       | 205,022.09          | 3.83           | 549.00              | 206,771.00          | 204,252.43          |
| FHMS K045 A2<br>DTD 05/01/2015 3.023% 01/01/2025         | 3137BHXJ1 | 236,849.17          | AA+           | Aaa               | 7/13/2022     | 7/18/2022      | 233,999.57          | 3.54           | 596.66              | 235,687.75          | 231,719.12          |
| FHMS K047 A2<br>DTD 07/30/2015 3.329% 05/01/2025         | 3137BKRJ1 | 245,000.00          | AA+           | Aaa               | 5/19/2022     | 5/24/2022      | 246,569.53          | 3.10           | 679.67              | 245,710.90          | 239,773.73          |
| FHLMC SERIES K049 A2<br>DTD 10/01/2015 3.010% 07/01/2025 | 3137BLMZ8 | 185,000.00          | AA+           | Aaa               | 8/11/2022     | 8/16/2022      | 182,391.21          | 3.53           | 464.04              | 183,640.94          | 179,997.68          |
| FHMS K052 A2<br>DTD 02/10/2016 3.151% 11/01/2025         | 3137BMTX4 | 185,000.00          | AA+           | Aaa               | 7/21/2022     | 7/26/2022      | 182,860.94          | 3.53           | 485.78              | 183,799.69          | 179,971.49          |
| FHMS K053 A2<br>DTD 03/29/2016 2.995% 12/01/2025         | 3137BN6G4 | 140,000.00          | AA+           | Aaa               | 8/4/2022      | 8/9/2022       | 138,386.72          | 3.36           | 349.42              | 139,066.70          | 135,734.31          |
| FHMS K736 A2<br>DTD 09/01/2019 2.282% 07/01/2026         | 3137FNWX4 | 140,000.00          | AA+           | Aaa               | 10/5/2023     | 10/11/2023     | 129,899.22          | 5.13           | 266.23              | 130,732.48          | 132,944.08          |
| FNA 2016-M12 A2<br>DTD 11/30/2016 2.526% 09/01/2026      | 3136AUKX8 | 138,034.91          | AA+           | Aaa               | 11/20/2023    | 11/27/2023     | 128,793.04          | 5.05           | 281.20              | 129,098.69          | 131,271.96          |
| <b>Security Type Sub-Total</b>                           |           | <b>1,693,975.69</b> |               |                   |               |                | <b>1,664,544.23</b> | <b>3.67</b>    | <b>4,224.37</b>     | <b>1,670,919.92</b> | <b>1,648,718.02</b> |
| <b>ABS</b>   |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| HAROT 2022-2 A3<br>DTD 08/24/2022 3.730% 07/20/2026      | 43815PAC3 | 40,000.00           | AAA           | NR                | 8/15/2022     | 8/24/2022      | 39,997.62           | 3.73           | 53.88               | 39,998.45           | 39,430.40           |
| BMWOT 2022-A A3<br>DTD 05/18/2022 3.210% 08/25/2026      | 05602RAD3 | 68,340.07           | AAA           | Aaa               | 5/10/2022     | 5/18/2022      | 68,336.52           | 3.21           | 36.56               | 68,337.87           | 67,187.06           |
| FORDO 2022-B A3<br>DTD 06/27/2022 3.740% 09/15/2026      | 34534LAD9 | 70,000.00           | NR            | Aaa               | 6/22/2022     | 6/27/2022      | 69,996.21           | 3.74           | 116.36              | 69,997.57           | 69,139.08           |
| TAOT 2022-B A3<br>DTD 04/13/2022 2.930% 09/15/2026       | 89238FAD5 | 95,000.00           | AAA           | Aaa               | 4/7/2022      | 4/13/2022      | 94,997.78           | 2.93           | 123.71              | 94,998.64           | 93,118.94           |
| ALLYA 2022-1 A3<br>DTD 05/18/2022 3.310% 11/15/2026      | 02008JAC0 | 153,105.96          | AAA           | Aaa               | 5/10/2022     | 5/18/2022      | 153,076.31          | 3.31           | 225.24              | 153,087.02          | 150,687.51          |
| HART 2022-B A3<br>DTD 07/20/2022 3.720% 11/16/2026       | 44918MAD2 | 110,000.00          | AAA           | NR                | 7/12/2022     | 7/20/2022      | 109,999.96          | 3.72           | 181.87              | 109,999.97          | 108,372.18          |
| HDMOT 2022-A A3<br>DTD 04/20/2022 3.060% 02/15/2027      | 41284YAD8 | 86,064.47           | AAA           | Aaa               | 4/12/2022     | 4/20/2022      | 86,050.14           | 3.06           | 117.05              | 86,055.19           | 84,531.03           |

| Security Type/Description<br>Dated Date/Coupon/Maturity | CUSIP     | Par        | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value |
|---|-----------|------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| <b>ABS</b>  |           |            |               |                   |               |                |                  |                |                     |                   |                 |
| CARMX 2022-2 A3<br>DTD 04/28/2022 3.490% 02/16/2027     | 14317HAC5 | 98,181.31  | AAA           | Aaa               | 4/21/2022     | 4/28/2022      | 98,166.38        | 3.49           | 152.29              | 98,171.59         | 96,593.86       |
| GMCAR 2022-2 A3<br>DTD 04/13/2022 3.100% 02/16/2027     | 362585AC5 | 60,000.00  | AAA           | Aaa               | 4/5/2022      | 4/13/2022      | 59,987.46        | 3.10           | 77.50               | 59,991.91         | 58,815.68       |
| JDOT 2022-B A3<br>DTD 07/20/2022 3.740% 02/16/2027      | 47800AAC4 | 70,000.00  | NR            | Aaa               | 7/12/2022     | 7/20/2022      | 69,993.32        | 3.74           | 116.36              | 69,995.44         | 68,799.52       |
| CARMX 2022-3 A3<br>DTD 07/20/2022 3.970% 04/15/2027     | 14318MAD1 | 175,000.00 | AAA           | NR                | 7/12/2022     | 7/20/2022      | 174,995.87       | 3.97           | 308.78              | 174,997.14        | 172,615.89      |
| COPAR 2022-1 A3<br>DTD 05/04/2022 3.170% 04/15/2027     | 14043QAC6 | 75,000.00  | AAA           | NR                | 4/26/2022     | 5/4/2022       | 74,983.61        | 3.17           | 105.67              | 74,989.12         | 73,467.09       |
| TAOT 2022-C A3<br>DTD 08/16/2022 3.760% 04/15/2027      | 89231CAD9 | 50,000.00  | AAA           | NR                | 8/8/2022      | 8/16/2022      | 49,991.64        | 3.76           | 83.56               | 49,994.11         | 49,248.03       |
| COMET 2022-A2 A<br>DTD 06/14/2022 3.490% 05/15/2027     | 14041NGA3 | 175,000.00 | AAA           | NR                | 6/6/2022      | 6/14/2022      | 174,972.04       | 3.49           | 271.44              | 174,980.85        | 171,678.71      |
| AMXCA 2022-2 A<br>DTD 05/24/2022 3.390% 05/17/2027      | 02582JJT8 | 190,000.00 | AAA           | NR                | 5/17/2022     | 5/24/2022      | 189,957.97       | 3.39           | 286.27              | 189,971.53        | 186,143.42      |
| COPAR 2022-2 A3<br>DTD 08/10/2022 3.660% 05/17/2027     | 14043GAD6 | 75,000.00  | AAA           | Aaa               | 8/2/2022      | 8/10/2022      | 74,994.63        | 3.66           | 122.00              | 74,996.20         | 73,604.50       |
| DCENT 2022-A2 A<br>DTD 05/26/2022 3.320% 05/17/2027     | 254683CS2 | 180,000.00 | NR            | Aaa               | 5/19/2022     | 5/26/2022      | 179,985.37       | 3.32           | 265.60              | 179,990.08        | 176,180.20      |
| DCENT 2022-A3 A3<br>DTD 08/09/2022 3.560% 07/15/2027    | 254683CW3 | 155,000.00 | AAA           | Aaa               | 8/2/2022      | 8/9/2022       | 154,980.77       | 3.56           | 245.24              | 154,986.22        | 152,010.14      |
| WOART 2022-B A3<br>DTD 06/01/2022 3.250% 07/15/2027     | 98163QAD1 | 160,000.00 | AAA           | NR                | 5/24/2022     | 6/1/2022       | 159,980.59       | 3.25           | 231.11              | 159,986.60        | 156,941.97      |
| CNH 2022-B A3<br>DTD 08/23/2022 3.890% 08/16/2027       | 12663JAC5 | 45,000.00  | NR            | Aaa               | 8/16/2022     | 8/23/2022      | 44,993.14        | 3.89           | 77.80               | 44,995.01         | 44,211.06       |
| CARMX 2022-4 A3<br>DTD 10/31/2022 5.340% 08/16/2027     | 14318UAD3 | 185,000.00 | AAA           | NR                | 10/26/2022    | 10/31/2022     | 184,956.62       | 5.35           | 439.07              | 184,967.20        | 185,568.04      |
| WOART 2022-C A3<br>DTD 08/10/2022 3.660% 10/15/2027     | 98163TAD5 | 65,000.00  | AAA           | NR                | 8/2/2022      | 8/10/2022      | 64,995.12        | 3.66           | 105.73              | 64,996.43         | 63,762.82       |

| Security Type/Description<br>Dated Date/Coupon/Maturity | CUSIP     | Par                    | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost       | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost      | Market<br>Value        |
|---|-----------|------------------------|---------------|-------------------|---------------|----------------|------------------------|----------------|---------------------|------------------------|------------------------|
| <b>ABS</b>  |           |                        |               |                   |               |                |                        |                |                     |                        |                        |
| BACCT 2022-A1 A1<br>DTD 06/16/2022 3.530% 11/15/2027    | 05522RDE5 | 60,000.00              | NR            | Aaa               | 6/9/2022      | 6/16/2022      | 59,996.26              | 3.53           | 94.13               | 59,997.33              | 58,857.07              |
| <b>Security Type Sub-Total</b>                          |           | <b>2,440,691.81</b>    |               |                   |               |                | <b>2,440,385.33</b>    | <b>3.62</b>    | <b>3,837.22</b>     | <b>2,440,481.47</b>    | <b>2,400,964.20</b>    |
| <b>Managed Account Sub Total</b>                        |           | <b>25,854,667.50</b>   |               |                   |               |                | <b>25,664,942.54</b>   | <b>4.02</b>    | <b>220,866.97</b>   | <b>25,715,686.44</b>   | <b>25,606,116.83</b>   |
| <b>Securities Sub Total</b>                             |           | <b>\$25,854,667.50</b> |               |                   |               |                | <b>\$25,664,942.54</b> | <b>4.02%</b>   | <b>\$220,866.97</b> | <b>\$25,715,686.44</b> | <b>\$25,606,116.83</b> |
| <b>Accrued Interest</b>                                 |           |                        |               |                   |               |                |                        |                |                     |                        | <b>\$220,866.97</b>    |
| <b>Total Investments</b>                                |           |                        |               |                   |               |                |                        |                |                     |                        | <b>\$25,826,983.80</b> |

## Quarterly Portfolio Transactions

| Trade Date       | Settle Date | Par (\$)            | CUSIP     | Security Description                     | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|------------------|-------------|---------------------|-----------|--|--------|---------------|----------------------|-----------------|-------------------|
| <b>BUY</b>       |             |                     |           |  |        |               |                      |                 |                   |
| 10/2/2023        | 10/5/2023   | 200,000.00          | 25243YBK4 | DIAGEO CAPITAL PLC CORPORATE NOTES (CALL | 5.37%  | 10/5/2026     | 199,458.00           | 5.47%           |                   |
| 10/3/2023        | 10/5/2023   | 525,000.00          | 91282CHY0 | US TREASURY NOTES                        | 4.62%  | 9/15/2026     | 522,581.20           | 4.89%           |                   |
| 10/5/2023        | 10/11/2023  | 140,000.00          | 3137FNWX4 | FHMS K736 A2                             | 2.28%  | 7/1/2026      | 129,987.96           | 5.13%           |                   |
| 10/16/2023       | 10/23/2023  | 80,000.00           | 46647PDW3 | JPMORGAN CHASE & CO CORP NOTE (CALLABLE) | 6.07%  | 10/22/2027    | 80,000.00            | 6.07%           |                   |
| 10/24/2023       | 10/26/2023  | 160,000.00          | 06051GFX2 | BANK OF AMERICA CORP NOTES               | 3.50%  | 4/19/2026     | 151,080.09           | 5.98%           |                   |
| 10/26/2023       | 10/30/2023  | 85,000.00           | 87612EBM7 | TARGET CORP CORP NOTES (CALLABLE)        | 1.95%  | 1/15/2027     | 77,012.34            | 5.37%           |                   |
| 11/2/2023        | 11/6/2023   | 200,000.00          | 06406FAE3 | BANK OF NY MELLON CORP CORP NOTES        | 2.45%  | 8/17/2026     | 185,749.28           | 5.46%           |                   |
| 11/3/2023        | 11/9/2023   | 70,000.00           | 69371RS72 | PACCAR FINANCIAL CORP CORPORATE NOTES    | 5.20%  | 11/9/2026     | 69,946.10            | 5.23%           |                   |
| 11/7/2023        | 11/9/2023   | 450,000.00          | 91282CJC6 | US TREASURY NOTES                        | 4.62%  | 10/15/2026    | 450,823.96           | 4.67%           |                   |
| 11/8/2023        | 11/17/2023  | 165,000.00          | 961214FL2 | WESTPAC BANKING CORP CORPORATE NOTES     | 5.51%  | 11/17/2025    | 165,000.00           | 5.51%           |                   |
| 11/13/2023       | 11/15/2023  | 180,000.00          | 38145GAH3 | GOLDMAN SACHS GROUP INC CORP NOTES (CALL | 3.50%  | 11/16/2026    | 171,439.70           | 5.89%           |                   |
| 11/20/2023       | 11/27/2023  | 138,294.16          | 3136AUKX8 | FNA 2016-M12 A2                          | 2.52%  | 9/1/2026      | 129,287.30           | 2.62%           |                   |
| 11/21/2023       | 11/29/2023  | 365,000.00          | 00828EEY1 | AFRICAN DEVELOPMENT BANK NOTES           | 4.62%  | 1/4/2027      | 364,233.50           | 4.70%           |                   |
| 11/27/2023       | 12/4/2023   | 45,000.00           | 437076CV2 | HOME DEPOT INC CORPORATE NOTES           | 4.95%  | 9/30/2026     | 44,901.45            | 5.03%           |                   |
| 12/5/2023        | 12/11/2023  | 150,000.00          | 06368LC53 | BANK OF MONTREAL CORPORATE NOTES         | 5.26%  | 12/11/2026    | 150,000.00           | 5.27%           |                   |
| 12/7/2023        | 12/11/2023  | 785,000.00          | 91282CJK8 | US TREASURY N/B NOTES                    | 4.62%  | 11/15/2026    | 794,063.42           | 4.32%           |                   |
| <b>Total BUY</b> |             | <b>3,738,294.16</b> |           |  |        |               | <b>3,685,564.30</b>  |                 | <b>0.00</b>       |

## Quarterly Portfolio Transactions

| Trade Date      | Settle Date | Par (\$)   | CUSIP     | Security Description                     | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|-----------------|-------------|------------|-----------|--|--------|---------------|----------------------|-----------------|-------------------|
| <b>INTEREST</b> |             |            |           |  |        |               |                      |                 |                   |
| 10/1/2023       | 10/1/2023   | 100,000.00 | 911312BX3 | UNITED PARCEL SERVICE CORP NOTES (CALLAB | 3.90%  | 4/1/2025      | 1,950.00             |                 |                   |
| 10/1/2023       | 10/25/2023  | 242,508.29 | 3137BHXJ1 | FHMS K045 A2                             | 3.02%  | 1/1/2025      | 610.92               |                 |                   |
| 10/1/2023       | 10/25/2023  | 185,000.00 | 3137BLMZ8 | FHLMC SERIES K049 A2                     | 3.01%  | 7/1/2025      | 464.04               |                 |                   |
| 10/1/2023       | 10/25/2023  | 245,000.00 | 3137BKRJ1 | FHMS K047 A2                             | 3.32%  | 5/1/2025      | 679.67               |                 |                   |
| 10/1/2023       | 10/25/2023  | 245,268.08 | 3137FBTA4 | FHLMC MULTIFAMILY STRUCTURED POOL        | 3.06%  | 8/1/2024      | 626.25               |                 |                   |
| 10/1/2023       | 10/25/2023  | 185,000.00 | 3137BMTX4 | FHMS K052 A2                             | 3.15%  | 11/1/2025     | 485.78               |                 |                   |
| 10/1/2023       | 10/25/2023  | 140,000.00 | 3137BN6G4 | FHMS K053 A2                             | 2.99%  | 12/1/2025     | 349.42               |                 |                   |
| 10/1/2023       | 10/25/2023  | 209,178.93 | 3137BFE98 | FHMS K041 A2                             | 3.17%  | 10/1/2024     | 552.76               |                 |                   |
| 10/2/2023       | 10/2/2023   |            | MONEY0002 | MONEY MARKET FUND                        |        |               | 379.53               |                 |                   |
| 10/15/2023      | 10/15/2023  | 190,000.00 | 02582JJT8 | AMXCA 2022-2 A                           | 3.39%  | 5/17/2027     | 536.75               |                 |                   |
| 10/15/2023      | 10/15/2023  | 160,000.00 | 98163QAD1 | WOART 2022-B A3                          | 3.25%  | 7/15/2027     | 433.33               |                 |                   |
| 10/15/2023      | 10/15/2023  | 75,000.00  | 14043QAC6 | COPAR 2022-1 A3                          | 3.17%  | 4/15/2027     | 198.13               |                 |                   |
| 10/15/2023      | 10/15/2023  | 65,000.00  | 98163TAD5 | WOART 2022-C A3                          | 3.66%  | 10/15/2027    | 198.25               |                 |                   |
| 10/15/2023      | 10/15/2023  | 175,000.00 | 14318MAD1 | CARMX 2022-3 A3                          | 3.97%  | 4/15/2027     | 578.96               |                 |                   |
| 10/15/2023      | 10/15/2023  | 70,000.00  | 34534LAD9 | FORDO 2022-B A3                          | 3.74%  | 9/15/2026     | 218.17               |                 |                   |
| 10/15/2023      | 10/15/2023  | 75,000.00  | 14043GAD6 | COPAR 2022-2 A3                          | 3.66%  | 5/17/2027     | 228.75               |                 |                   |
| 10/15/2023      | 10/15/2023  | 45,000.00  | 12663JAC5 | CNH 2022-B A3                            | 3.89%  | 8/16/2027     | 145.88               |                 |                   |



## Quarterly Portfolio Transactions

| Trade Date      | Settle Date | Par (\$)     | CUSIP     | Security Description                     | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|-----------------|-------------|--------------|-----------|--|--------|---------------|----------------------|-----------------|-------------------|
| <b>INTEREST</b> |             |              |           |  |        |               |                      |                 |                   |
| 10/15/2023      | 10/15/2023  | 175,000.00   | 14041NGA3 | COMET 2022-A2 A                          | 3.49%  | 5/15/2027     | 508.96               |                 |                   |
| 10/15/2023      | 10/15/2023  | 110,000.00   | 44918MAD2 | HART 2022-B A3                           | 3.72%  | 11/16/2026    | 341.00               |                 |                   |
| 10/15/2023      | 10/15/2023  | 1,000,000.00 | 91282CFP1 | US TREASURY NOTES                        | 4.25%  | 10/15/2025    | 21,250.00            |                 |                   |
| 10/15/2023      | 10/15/2023  | 95,000.00    | 89238FAD5 | TAOT 2022-B A3                           | 2.93%  | 9/15/2026     | 231.96               |                 |                   |
| 10/15/2023      | 10/15/2023  | 1,390,000.00 | 91282CGV7 | US TREASURY NOTES                        | 3.75%  | 4/15/2026     | 26,062.50            |                 |                   |
| 10/15/2023      | 10/15/2023  | 160,000.00   | 02008JAC0 | ALLYA 2022-1 A3                          | 3.31%  | 11/15/2026    | 441.33               |                 |                   |
| 10/15/2023      | 10/15/2023  | 40,000.00    | 539830BU2 | LOCKHEED MARTIN CORP NOTES (CALLABLE)    | 4.95%  | 10/15/2025    | 990.00               |                 |                   |
| 10/15/2023      | 10/15/2023  | 180,000.00   | 254683CS2 | DCENT 2022-A2 A                          | 3.32%  | 5/17/2027     | 498.00               |                 |                   |
| 10/15/2023      | 10/15/2023  | 60,000.00    | 05522RDE5 | BACCT 2022-A1 A1                         | 3.53%  | 11/15/2027    | 176.50               |                 |                   |
| 10/15/2023      | 10/15/2023  | 185,000.00   | 14318UAD3 | CARMX 2022-4 A3                          | 5.34%  | 8/16/2027     | 823.25               |                 |                   |
| 10/15/2023      | 10/15/2023  | 100,000.00   | 14317HAC5 | CARMX 2022-2 A3                          | 3.49%  | 2/16/2027     | 290.83               |                 |                   |
| 10/15/2023      | 10/15/2023  | 70,000.00    | 47800AAC4 | JDOT 2022-B A3                           | 3.74%  | 2/16/2027     | 218.17               |                 |                   |
| 10/15/2023      | 10/15/2023  | 180,000.00   | 244199BH7 | DEERE & COMPANY CORPORATE NOTES (CALLABL | 2.75%  | 4/15/2025     | 2,475.00             |                 |                   |
| 10/15/2023      | 10/15/2023  | 155,000.00   | 254683CW3 | DCENT 2022-A3 A3                         | 3.56%  | 7/15/2027     | 459.83               |                 |                   |
| 10/15/2023      | 10/15/2023  | 50,000.00    | 89231CAD9 | TAOT 2022-C A3                           | 3.76%  | 4/15/2027     | 156.67               |                 |                   |
| 10/15/2023      | 10/15/2023  | 55,000.00    | 931142FA6 | WALMART INC CORPORATE NOTES (CALLABLE)   | 4.00%  | 4/15/2026     | 1,081.67             |                 |                   |
| 10/15/2023      | 10/15/2023  | 100,000.00   | 41284YAD8 | HDMOT 2022-A A3                          | 3.06%  | 2/15/2027     | 255.00               |                 |                   |

## Quarterly Portfolio Transactions

| Trade Date      | Settle Date | Par (\$)     | CUSIP     | Security Description                      | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|-----------------|-------------|--------------|-----------|---|--------|---------------|----------------------|-----------------|-------------------|
| <b>INTEREST</b> |             |              |           |   |        |               |                      |                 |                   |
| 10/16/2023      | 10/16/2023  | 60,000.00    | 362585AC5 | GMCAR 2022-2 A3                           | 3.10%  | 2/16/2027     | 155.00               |                 |                   |
| 10/18/2023      | 10/18/2023  | 40,000.00    | 43815PAC3 | HAROT 2022-2 A3                           | 3.73%  | 7/20/2026     | 124.33               |                 |                   |
| 10/25/2023      | 10/25/2023  | 70,000.00    | 05602RAD3 | BMWOT 2022-A A3                           | 3.21%  | 8/25/2026     | 187.25               |                 |                   |
| 10/26/2023      | 10/26/2023  | 80,000.00    | 46647PCZ7 | JPMORGAN CHASE & CO (CALLABLE) CORPORATE  | 4.08%  | 4/26/2026     | 1,632.00             |                 |                   |
| 10/26/2023      | 10/26/2023  | 80,000.00    | 05531FBB8 | TRUIST FIN CORP NOTES (CALLABLE)          | 2.85%  | 10/26/2024    | 1,140.00             |                 |                   |
| 10/30/2023      | 10/30/2023  | 150,000.00   | 713448CT3 | PEPSICO INCMCORP NOTES (CALLABLE)         | 2.75%  | 4/30/2025     | 2,062.50             |                 |                   |
| 10/31/2023      | 10/31/2023  | 1,000,000.00 | 9128283D0 | US TREASURY NOTES                         | 2.25%  | 10/31/2024    | 11,250.00            |                 |                   |
| 11/1/2023       | 11/1/2023   | 100,000.00   | 867914BS1 | SUNTRUST BANKS INC (CALLABLE) CORP NOTE   | 4.00%  | 5/1/2025      | 2,000.00             |                 |                   |
| 11/1/2023       | 11/1/2023   | 55,000.00    | 17252MAP5 | CINTAS CORPORATION NO. 2 CORP NOTE (CALL) | 3.45%  | 5/1/2025      | 948.75               |                 |                   |
| 11/1/2023       | 11/1/2023   |              | MONEY0002 | MONEY MARKET FUND                         |        |               | 269.39               |                 |                   |
| 11/1/2023       | 11/25/2023  | 185,000.00   | 3137BLMZ8 | FHLMC SERIES K049 A2                      | 3.01%  | 7/1/2025      | 464.04               |                 |                   |
| 11/1/2023       | 11/25/2023  | 208,698.13   | 3137BFE98 | FHMS K041 A2                              | 3.17%  | 10/1/2024     | 551.48               |                 |                   |
| 11/1/2023       | 11/25/2023  | 185,000.00   | 3137BMTX4 | FHMS K052 A2                              | 3.15%  | 11/1/2025     | 485.78               |                 |                   |
| 11/1/2023       | 11/25/2023  | 140,000.00   | 3137FNWX4 | FHMS K736 A2                              | 2.28%  | 7/1/2026      | 266.23               |                 |                   |
| 11/1/2023       | 11/25/2023  | 217,071.54   | 3137FBTA4 | FHLMC MULTIFAMILY STRUCTURED POOL         | 3.06%  | 8/1/2024      | 554.26               |                 |                   |
| 11/1/2023       | 11/25/2023  | 140,000.00   | 3137BN6G4 | FHMS K053 A2                              | 2.99%  | 12/1/2025     | 349.42               |                 |                   |
| 11/1/2023       | 11/25/2023  | 242,060.15   | 3137BHXJ1 | FHMS K045 A2                              | 3.02%  | 1/1/2025      | 609.79               |                 |                   |

## Quarterly Portfolio Transactions

| Trade Date      | Settle Date | Par (\$)   | CUSIP     | Security Description                     | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|-----------------|-------------|------------|-----------|--|--------|---------------|----------------------|-----------------|-------------------|
| <b>INTEREST</b> |             |            |           |  |        |               |                      |                 |                   |
| 11/1/2023       | 11/25/2023  | 245,000.00 | 3137BKRJ1 | FHMS K047 A2                             | 3.32%  | 5/1/2025      | 679.67               |                 |                   |
| 11/4/2023       | 11/4/2023   | 35,000.00  | 857477BX0 | STATE STREET CORP NOTES (CALLABLE)       | 5.75%  | 11/4/2026     | 1,006.43             |                 |                   |
| 11/6/2023       | 11/6/2023   | 440,000.00 | 045167FM0 | ASIAN DEVELOPMENT BANK NOTES             | 2.87%  | 5/6/2025      | 6,325.00             |                 |                   |
| 11/11/2023      | 11/11/2023  | 150,000.00 | 822582BD3 | SHELL INTERNATIONAL FIN CORPORATE NOTES  | 3.25%  | 5/11/2025     | 2,437.50             |                 |                   |
| 11/15/2023      | 11/15/2023  | 185,000.00 | 14318UAD3 | CARMX 2022-4 A3                          | 5.34%  | 8/16/2027     | 823.25               |                 |                   |
| 11/15/2023      | 11/15/2023  | 75,000.00  | 14043GAD6 | COPAR 2022-2 A3                          | 3.66%  | 5/17/2027     | 228.75               |                 |                   |
| 11/15/2023      | 11/15/2023  | 95,000.00  | 89238FAD5 | TAOT 2022-B A3                           | 2.93%  | 9/15/2026     | 231.96               |                 |                   |
| 11/15/2023      | 11/15/2023  | 190,000.00 | 02582JJT8 | AMXCA 2022-2 A                           | 3.39%  | 5/17/2027     | 536.75               |                 |                   |
| 11/15/2023      | 11/15/2023  | 175,000.00 | 14318MAD1 | CARMX 2022-3 A3                          | 3.97%  | 4/15/2027     | 578.96               |                 |                   |
| 11/15/2023      | 11/15/2023  | 160,000.00 | 02008JAC0 | ALLYA 2022-1 A3                          | 3.31%  | 11/15/2026    | 441.33               |                 |                   |
| 11/15/2023      | 11/15/2023  | 60,000.00  | 05522RDE5 | BACCT 2022-A1 A1                         | 3.53%  | 11/15/2027    | 176.50               |                 |                   |
| 11/15/2023      | 11/15/2023  | 100,000.00 | 14913R2C0 | CATERPILLAR FINL SERVICE CORPORATE NOTES | 1.45%  | 5/15/2025     | 725.00               |                 |                   |
| 11/15/2023      | 11/15/2023  | 70,000.00  | 47800AAC4 | JDOT 2022-B A3                           | 3.74%  | 2/16/2027     | 218.17               |                 |                   |
| 11/15/2023      | 11/15/2023  | 160,000.00 | 98163QAD1 | WOART 2022-B A3                          | 3.25%  | 7/15/2027     | 433.33               |                 |                   |
| 11/15/2023      | 11/15/2023  | 96,712.60  | 41284YAD8 | HDMOT 2022-A A3                          | 3.06%  | 2/15/2027     | 246.62               |                 |                   |
| 11/15/2023      | 11/15/2023  | 975,000.00 | 91282CFW6 | US TREASURY NOTES                        | 4.50%  | 11/15/2025    | 21,937.50            |                 |                   |
| 11/15/2023      | 11/15/2023  | 65,000.00  | 98163TAD5 | WOART 2022-C A3                          | 3.66%  | 10/15/2027    | 198.25               |                 |                   |

## Quarterly Portfolio Transactions

| Trade Date      | Settle Date | Par (\$)     | CUSIP     | Security Description                     | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|-----------------|-------------|--------------|-----------|--|--------|---------------|----------------------|-----------------|-------------------|
| <b>INTEREST</b> |             |              |           |  |        |               |                      |                 |                   |
| 11/15/2023      | 11/15/2023  | 1,395,000.00 | 91282CHB0 | US TREASURY NOTES                        | 3.62%  | 5/15/2026     | 25,284.38            |                 |                   |
| 11/15/2023      | 11/15/2023  | 155,000.00   | 254683CW3 | DCENT 2022-A3 A3                         | 3.56%  | 7/15/2027     | 459.83               |                 |                   |
| 11/15/2023      | 11/15/2023  | 45,000.00    | 12663JAC5 | CNH 2022-B A3                            | 3.89%  | 8/16/2027     | 145.88               |                 |                   |
| 11/15/2023      | 11/15/2023  | 50,000.00    | 89231CAD9 | TAOT 2022-C A3                           | 3.76%  | 4/15/2027     | 156.67               |                 |                   |
| 11/15/2023      | 11/15/2023  | 150,000.00   | 369550BG2 | GENERAL DYNAMICS CORP (CALLABLE) CORP NO | 3.50%  | 5/15/2025     | 2,625.00             |                 |                   |
| 11/15/2023      | 11/15/2023  | 175,000.00   | 14041NGA3 | COMET 2022-A2 A                          | 3.49%  | 5/15/2027     | 508.96               |                 |                   |
| 11/15/2023      | 11/15/2023  | 70,000.00    | 34534LAD9 | FORDO 2022-B A3                          | 3.74%  | 9/15/2026     | 218.17               |                 |                   |
| 11/15/2023      | 11/15/2023  | 75,000.00    | 14043QAC6 | COPAR 2022-1 A3                          | 3.17%  | 4/15/2027     | 198.13               |                 |                   |
| 11/15/2023      | 11/15/2023  | 110,000.00   | 44918MAD2 | HART 2022-B A3                           | 3.72%  | 11/16/2026    | 341.00               |                 |                   |
| 11/15/2023      | 11/15/2023  | 180,000.00   | 254683CS2 | DCENT 2022-A2 A                          | 3.32%  | 5/17/2027     | 498.00               |                 |                   |
| 11/15/2023      | 11/15/2023  | 100,000.00   | 14317HAC5 | CARMX 2022-2 A3                          | 3.49%  | 2/16/2027     | 290.83               |                 |                   |
| 11/16/2023      | 11/16/2023  | 180,000.00   | 38145GAH3 | GOLDMAN SACHS GROUP INC CORP NOTES (CALL | 3.50%  | 11/16/2026    | 3,150.00             |                 |                   |
| 11/16/2023      | 11/16/2023  | 60,000.00    | 362585AC5 | GMCAR 2022-2 A3                          | 3.10%  | 2/16/2027     | 155.00               |                 |                   |
| 11/18/2023      | 11/18/2023  | 40,000.00    | 43815PAC3 | HAROT 2022-2 A3                          | 3.73%  | 7/20/2026     | 124.33               |                 |                   |
| 11/18/2023      | 11/18/2023  | 25,000.00    | 882508BR4 | TEXAS INSTRUMENTS INC CORPORATE NOTES    | 4.70%  | 11/18/2024    | 587.50               |                 |                   |
| 11/18/2023      | 11/18/2023  | 120,000.00   | 857477CB7 | STATE STREET CORP NOTES (CALLABLE)       | 5.10%  | 5/18/2026     | 3,062.40             |                 |                   |
| 11/24/2023      | 11/24/2023  | 185,000.00   | 172967NQ0 | CITIGROUP INC CORP NOTES (CALLABLE)      | 4.14%  | 5/24/2025     | 3,829.50             |                 |                   |

## Quarterly Portfolio Transactions

| Trade Date      | Settle Date | Par (\$)   | CUSIP     | Security Description                    | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|-----------------|-------------|------------|-----------|---|--------|---------------|----------------------|-----------------|-------------------|
| <b>INTEREST</b> |             |            |           |   |        |               |                      |                 |                   |
| 11/25/2023      | 11/25/2023  | 70,000.00  | 05602RAD3 | BMWOT 2022-A A3                         | 3.21%  | 8/25/2026     | 187.25               |                 |                   |
| 12/1/2023       | 12/1/2023   |            | MONEY0002 | MONEY MARKET FUND                       |        |               | 460.88               |                 |                   |
| 12/1/2023       | 12/25/2023  | 140,000.00 | 3137FNWX4 | FHMS K736 A2                            | 2.28%  | 7/1/2026      | 266.23               |                 |                   |
| 12/1/2023       | 12/25/2023  | 208,240.95 | 3137BFE98 | FHMS K041 A2                            | 3.17%  | 10/1/2024     | 550.28               |                 |                   |
| 12/1/2023       | 12/25/2023  | 140,000.00 | 3137BN6G4 | FHMS K053 A2                            | 2.99%  | 12/1/2025     | 349.42               |                 |                   |
| 12/1/2023       | 12/25/2023  | 241,634.10 | 3137BHXJ1 | FHMS K045 A2                            | 3.02%  | 1/1/2025      | 637.04               |                 |                   |
| 12/1/2023       | 12/25/2023  | 216,715.53 | 3137FBTA4 | FHLMC MULTIFAMILY STRUCTURED POOL       | 3.06%  | 8/1/2024      | 553.35               |                 |                   |
| 12/1/2023       | 12/25/2023  | 138,294.16 | 3136AUKX8 | FNA 2016-M12 A2                         | 2.52%  | 9/1/2026      | 281.77               |                 |                   |
| 12/1/2023       | 12/25/2023  | 185,000.00 | 3137BLMZ8 | FHLMC SERIES K049 A2                    | 3.01%  | 7/1/2025      | 464.04               |                 |                   |
| 12/1/2023       | 12/25/2023  | 185,000.00 | 3137BMTX4 | FHMS K052 A2                            | 3.15%  | 11/1/2025     | 485.78               |                 |                   |
| 12/1/2023       | 12/25/2023  | 245,000.00 | 3137BKRJ1 | FHMS K047 A2                            | 3.32%  | 5/1/2025      | 679.67               |                 |                   |
| 12/5/2023       | 12/5/2023   | 185,000.00 | 53522KAB9 | LINDE INC/CT CORPORATE NOTES (CALLABLE) | 4.70%  | 12/5/2025     | 4,347.50             |                 |                   |
| 12/7/2023       | 12/7/2023   | 50,000.00  | 06368D3S1 | BANK OF MONTREAL CORPORATE NOTES        | 3.70%  | 6/7/2025      | 925.00               |                 |                   |
| 12/15/2023      | 12/15/2023  | 685,000.00 | 91282CGA3 | US TREASURY NOTES                       | 4.00%  | 12/15/2025    | 13,700.00            |                 |                   |
| 12/15/2023      | 12/15/2023  | 535,000.00 | 91282CHH7 | US TREASURY NOTES                       | 4.12%  | 6/15/2026     | 11,034.38            |                 |                   |
| 12/15/2023      | 12/15/2023  | 65,000.00  | 20772KQH5 | CONNECTICUT ST-A-TXBL MUNICIPAL BONDS   | 3.29%  | 6/15/2025     | 1,069.90             |                 |                   |
| 12/15/2023      | 12/15/2023  | 160,000.00 | 98163QAD1 | WOART 2022-B A3                         | 3.25%  | 7/15/2027     | 433.33               |                 |                   |

## Quarterly Portfolio Transactions

| Trade Date      | Settle Date | Par (\$)   | CUSIP     | Security Description                     | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|-----------------|-------------|------------|-----------|--|--------|---------------|----------------------|-----------------|-------------------|
| <b>INTEREST</b> |             |            |           |  |        |               |                      |                 |                   |
| 12/15/2023      | 12/15/2023  | 100,000.00 | 14317HAC5 | CARMX 2022-2 A3                          | 3.49%  | 2/16/2027     | 290.83               |                 |                   |
| 12/15/2023      | 12/15/2023  | 91,173.80  | 41284YAD8 | HDMOT 2022-A A3                          | 3.06%  | 2/15/2027     | 232.49               |                 |                   |
| 12/15/2023      | 12/15/2023  | 75,000.00  | 14043QAC6 | COPAR 2022-1 A3                          | 3.17%  | 4/15/2027     | 198.13               |                 |                   |
| 12/15/2023      | 12/15/2023  | 75,000.00  | 14043GAD6 | COPAR 2022-2 A3                          | 3.66%  | 5/17/2027     | 228.75               |                 |                   |
| 12/15/2023      | 12/15/2023  | 155,000.00 | 254683CW3 | DCENT 2022-A3 A3                         | 3.56%  | 7/15/2027     | 459.83               |                 |                   |
| 12/15/2023      | 12/15/2023  | 25,000.00  | 63743HFE7 | NATIONAL RURAL UTIL COOP CORPORATE NOTES | 3.45%  | 6/15/2025     | 431.25               |                 |                   |
| 12/15/2023      | 12/15/2023  | 160,000.00 | 02008JAC0 | ALLYA 2022-1 A3                          | 3.31%  | 11/15/2026    | 441.33               |                 |                   |
| 12/15/2023      | 12/15/2023  | 185,000.00 | 14318UAD3 | CARMX 2022-4 A3                          | 5.34%  | 8/16/2027     | 823.25               |                 |                   |
| 12/15/2023      | 12/15/2023  | 190,000.00 | 02582JJT8 | AMXCA 2022-2 A                           | 3.39%  | 5/17/2027     | 536.75               |                 |                   |
| 12/15/2023      | 12/15/2023  | 95,000.00  | 89238FAD5 | TAOT 2022-B A3                           | 2.93%  | 9/15/2026     | 231.96               |                 |                   |
| 12/15/2023      | 12/15/2023  | 175,000.00 | 14041NGA3 | COMET 2022-A2 A                          | 3.49%  | 5/15/2027     | 508.96               |                 |                   |
| 12/15/2023      | 12/15/2023  | 175,000.00 | 14318MAD1 | CARMX 2022-3 A3                          | 3.97%  | 4/15/2027     | 578.96               |                 |                   |
| 12/15/2023      | 12/15/2023  | 65,000.00  | 98163TAD5 | WOART 2022-C A3                          | 3.66%  | 10/15/2027    | 198.25               |                 |                   |
| 12/15/2023      | 12/15/2023  | 70,000.00  | 34534LAD9 | FORDO 2022-B A3                          | 3.74%  | 9/15/2026     | 218.17               |                 |                   |
| 12/15/2023      | 12/15/2023  | 50,000.00  | 89231CAD9 | TAOT 2022-C A3                           | 3.76%  | 4/15/2027     | 156.67               |                 |                   |
| 12/15/2023      | 12/15/2023  | 180,000.00 | 254683CS2 | DCENT 2022-A2 A                          | 3.32%  | 5/17/2027     | 498.00               |                 |                   |
| 12/15/2023      | 12/15/2023  | 60,000.00  | 05522RDE5 | BACCT 2022-A1 A1                         | 3.53%  | 11/15/2027    | 176.50               |                 |                   |

## Quarterly Portfolio Transactions

| Trade Date            | Settle Date | Par (\$)             | CUSIP     | Security Description                     | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|-----------------------|-------------|----------------------|-----------|--|--------|---------------|----------------------|-----------------|-------------------|
| <b>INTEREST</b>       |             |                      |           |  |        |               |                      |                 |                   |
| 12/15/2023            | 12/15/2023  | 70,000.00            | 47800AAC4 | JDOT 2022-B A3                           | 3.74%  | 2/16/2027     | 218.17               |                 |                   |
| 12/15/2023            | 12/15/2023  | 110,000.00           | 44918MAD2 | HART 2022-B A3                           | 3.72%  | 11/16/2026    | 341.00               |                 |                   |
| 12/15/2023            | 12/15/2023  | 45,000.00            | 12663JAC5 | CNH 2022-B A3                            | 3.89%  | 8/16/2027     | 145.88               |                 |                   |
| 12/16/2023            | 12/16/2023  | 60,000.00            | 362585AC5 | GMCAR 2022-2 A3                          | 3.10%  | 2/16/2027     | 155.00               |                 |                   |
| 12/18/2023            | 12/18/2023  | 200,000.00           | 89236TJK2 | TOYOTA MOTOR CREDIT CORP CORPORATE NOTES | 1.12%  | 6/18/2026     | 1,125.00             |                 |                   |
| 12/18/2023            | 12/18/2023  | 40,000.00            | 43815PAC3 | HAROT 2022-2 A3                          | 3.73%  | 7/20/2026     | 124.33               |                 |                   |
| 12/25/2023            | 12/25/2023  | 70,000.00            | 05602RAD3 | BMWOT 2022-A A3                          | 3.21%  | 8/25/2026     | 187.25               |                 |                   |
| <b>Total INTEREST</b> |             | <b>21,827,556.26</b> |           |  |        |               | <b>211,740.56</b>    |                 | <b>0.00</b>       |
| <b>MATURITY</b>       |             |                      |           |  |        |               |                      |                 |                   |
| 10/24/2023            | 10/24/2023  | 150,000.00           | 06051GJH3 | BANK OF AMERICA CORP NOTES (CALLED, OMD  | 0.81%  | 10/24/2023    | 150,607.50           |                 |                   |
| <b>Total MATURITY</b> |             | <b>150,000.00</b>    |           |  |        |               | <b>150,607.50</b>    |                 | <b>0.00</b>       |
| <b>PAYDOWNS</b>       |             |                      |           |  |        |               |                      |                 |                   |
| 10/1/2023             | 10/25/2023  | 480.80               | 3137BFE98 | FHMS K041 A2                             | 3.17%  | 10/1/2024     | 480.80               |                 |                   |
| 10/1/2023             | 10/25/2023  | 28,196.54            | 3137FBTA4 | FHLMC MULTIFAMILY STRUCTURED POOL        | 3.06%  | 8/1/2024      | 28,196.54            |                 |                   |
| 10/1/2023             | 10/25/2023  | 448.14               | 3137BHXJ1 | FHMS K045 A2                             | 3.02%  | 1/1/2025      | 448.14               |                 |                   |
| 10/15/2023            | 10/15/2023  | 3,287.40             | 41284YAD8 | HDMOT 2022-A A3                          | 3.06%  | 2/15/2027     | 3,287.40             |                 |                   |
| 11/1/2023             | 11/25/2023  | 426.05               | 3137BHXJ1 | FHMS K045 A2                             | 3.02%  | 1/1/2025      | 426.05               |                 |                   |

## Quarterly Portfolio Transactions

| Trade Date            | Settle Date | Par (\$)         | CUSIP     | Security Description                     | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|-----------------------|-------------|------------------|-----------|--|--------|---------------|----------------------|-----------------|-------------------|
| <b>PAYDOWNS</b>       |             |                  |           |  |        |               |                      |                 |                   |
| 11/1/2023             | 11/25/2023  | 356.01           | 3137FBTA4 | FHLMC MULTIFAMILY STRUCTURED POOL        | 3.06%  | 8/1/2024      | 356.01               |                 |                   |
| 11/1/2023             | 11/25/2023  | 457.18           | 3137BFE98 | FHMS K041 A2                             | 3.17%  | 10/1/2024     | 457.18               |                 |                   |
| 11/15/2023            | 11/15/2023  | 5,538.80         | 41284YAD8 | HDMOT 2022-A A3                          | 3.06%  | 2/15/2027     | 5,538.80             |                 |                   |
| 12/1/2023             | 12/25/2023  | 380.93           | 3137FBTA4 | FHLMC MULTIFAMILY STRUCTURED POOL        | 3.06%  | 8/1/2024      | 380.93               |                 |                   |
| 12/1/2023             | 12/25/2023  | 483.94           | 3137BFE98 | FHMS K041 A2                             | 3.17%  | 10/1/2024     | 483.94               |                 |                   |
| 12/1/2023             | 12/25/2023  | 259.25           | 3136AUKX8 | FNA 2016-M12 A2                          | 2.52%  | 9/1/2026      | 259.25               |                 |                   |
| 12/1/2023             | 12/25/2023  | 4,784.93         | 3137BHXJ1 | FHMS K045 A2                             | 3.02%  | 1/1/2025      | 4,784.93             |                 |                   |
| 12/15/2023            | 12/15/2023  | 5,109.33         | 41284YAD8 | HDMOT 2022-A A3                          | 3.06%  | 2/15/2027     | 5,109.33             |                 |                   |
| 12/15/2023            | 12/15/2023  | 1,818.69         | 14317HAC5 | CARMX 2022-2 A3                          | 3.49%  | 2/16/2027     | 1,818.69             |                 |                   |
| 12/15/2023            | 12/15/2023  | 6,894.04         | 02008JAC0 | ALLYA 2022-1 A3                          | 3.31%  | 11/15/2026    | 6,894.04             |                 |                   |
| 12/25/2023            | 12/25/2023  | 1,659.93         | 05602RAD3 | BMWOT 2022-A A3                          | 3.21%  | 8/25/2026     | 1,659.93             |                 |                   |
| <b>Total PAYDOWNS</b> |             | <b>60,581.96</b> |           |  |        |               | <b>60,581.96</b>     |                 | <b>0.00</b>       |
| <b>SELL</b>           |             |                  |           |  |        |               |                      |                 |                   |
| 10/2/2023             | 10/4/2023   | 100,000.00       | 14913R2P1 | CATERPILLAR FINL SERVICE CORPORATE NOTES | 0.60%  | 9/13/2024     | 95,437.00            |                 | -2,752.62         |
| 10/3/2023             | 10/5/2023   | 250,000.00       | 91282CEK3 | US TREASURY NOTES                        | 2.50%  | 4/30/2024     | 248,513.50           |                 | -3,851.40         |
| 10/3/2023             | 10/5/2023   | 350,000.00       | 9128282U3 | US TREASURY NOTES                        | 1.87%  | 8/31/2024     | 339,543.12           |                 | -8,925.59         |
| 10/5/2023             | 10/11/2023  | 125,000.00       | 91282CFW6 | US TREASURY NOTES                        | 4.50%  | 11/15/2025    | 126,042.16           |                 | -2,168.66         |



## Quarterly Portfolio Transactions

| Trade Date        | Settle Date | Par (\$)            | CUSIP     | Security Description                     | Coupon | Maturity Date | Transact Amount (\$) | Yield at Market | Realized G/L (BV) |
|-------------------|-------------|---------------------|-----------|--|--------|---------------|----------------------|-----------------|-------------------|
| <b>SELL</b>       |             |                     |           |  |        |               |                      |                 |                   |
| 10/17/2023        | 10/23/2023  | 80,000.00           | 9128282U3 | US TREASURY NOTES                        | 1.87%  | 8/31/2024     | 77,815.29            |                 | -1,935.76         |
| 10/26/2023        | 10/30/2023  | 70,000.00           | 9128282U3 | US TREASURY NOTES                        | 1.87%  | 8/31/2024     | 68,173.77            |                 | -1,642.78         |
| 11/2/2023         | 11/6/2023   | 200,000.00          | 06406HCX5 | BONY MELLON CORP NOTES (CALLABLE)        | 3.25%  | 9/11/2024     | 196,651.06           |                 | -5,059.52         |
| 11/7/2023         | 11/9/2023   | 450,000.00          | 9128282U3 | US TREASURY NOTES                        | 1.87%  | 8/31/2024     | 439,194.87           |                 | -9,941.60         |
| 11/10/2023        | 11/13/2023  | 165,000.00          | 912828YH7 | US TREASURY NOTES                        | 1.50%  | 9/30/2024     | 159,831.92           |                 | -4,032.13         |
| 11/13/2023        | 11/15/2023  | 150,000.00          | 38148LAC0 | GOLDMAN SACHS GROUP INC CORP NOTES (CALL | 3.50%  | 1/23/2025     | 147,103.33           |                 | -5,002.22         |
| 11/20/2023        | 11/27/2023  | 130,000.00          | 91282CHU8 | US TREASURY NOTES                        | 4.37%  | 8/15/2026     | 130,612.03           |                 | 154.50            |
| 11/21/2023        | 11/29/2023  | 365,000.00          | 91282CHY0 | US TREASURY NOTES                        | 4.62%  | 9/15/2026     | 368,649.37           |                 | 2,655.24          |
| 11/27/2023        | 11/29/2023  | 25,000.00           | 194162AM5 | COLGATE-PALMOLIVE CO CORPORATE NOTES     | 3.10%  | 8/15/2025     | 24,478.64            |                 | -732.21           |
| 11/27/2023        | 11/29/2023  | 25,000.00           | 194162AQ6 | COLGATE-PALMOLIVE CO CORPORATE NOTES     | 4.80%  | 3/2/2026      | 25,289.25            |                 | 21.03             |
| 12/5/2023         | 12/7/2023   | 150,000.00          | 06368FAE9 | BANK OF MONTREAL CORPORATE NOTES         | 1.50%  | 1/10/2025     | 144,483.75           |                 | -4,062.17         |
| 12/7/2023         | 12/11/2023  | 150,000.00          | 904764BN6 | UNILEVER CAPITAL CORP (CALLABLE) CORPORA | 0.62%  | 8/12/2024     | 145,280.89           |                 | -2,890.44         |
| 12/7/2023         | 12/11/2023  | 50,000.00           | 9128282U3 | US TREASURY NOTES                        | 1.87%  | 8/31/2024     | 49,084.98            |                 | -931.36           |
| 12/7/2023         | 12/11/2023  | 275,000.00          | 912828YH7 | US TREASURY NOTES                        | 1.50%  | 9/30/2024     | 267,980.43           |                 | -5,649.65         |
| 12/7/2023         | 12/11/2023  | 300,000.00          | 9128283D0 | US TREASURY NOTES                        | 2.25%  | 10/31/2024    | 293,330.61           |                 | -6,485.64         |
| <b>Total SELL</b> |             | <b>3,410,000.00</b> |           |  |        |               | <b>3,347,495.97</b>  |                 | <b>-63,232.98</b> |

## Important Disclosures

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- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

## Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

## Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.



## For Finance Committee Meeting February 28, 2024

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- Issue:** Prepare for the Potential Need for New Office Space.
- Action:** Approve Recommendation to the Full Council to Commit additional Fund Balance as Reserved for the Building Fund to prepare for Future Growth.
- Budget Impact:** \$4 Million Fund Balance to be Committed to the Building Fund for FY 23/24.
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**Background:** The Children's Services Council has been in its current headquarters for almost sixteen years and has maximized the available space. Meanwhile the demand for CSC's leadership on the many issues facing Broward's children and the increase in the number and scope of the contracts with agencies continue to grow. Over the past years, the Office Space Committee explored the vacant land adjacent to the building for possible future expansion to no avail. Recognizing that CSC is prohibited by statute from incurring any debt including a mortgage, the Council approved in February 2020 and November 2022 \$6 million in reserve towards solving the need for future growth.

**Current Status:** We have currently been able to manage the growth in staff by turning conference rooms and filing cabinet spaces into offices and allowing the staff to work in a combination of in person and remote workspaces known as "Hybrid with a Purpose". However, more and more staff are coming to the office regularly for work and meetings. This has required employees to double-up in office space meant for one. Since the current office space is at full capacity, staff are anticipating what the future needs might be and what steps to take to prepare so that when the time comes that CSC needs to expand, the funds are available. As a reminder, the Council is precluded by statute from securing debt of any kind.

Fund balance increased by \$8 million over the prior year due in part to \$4.3 million from interest earnings received on investments that was not previously budgeted. Thus, the Fund balance at September 30, 2023, totaled \$79.3 million, of which \$20.4 million is assigned for programs and encumbrances in FY 23-24, \$6 million is committed for the building fund, minimum Fund Balance is \$21.5 million leaving an unassigned fund balance of \$31.4 million.

The current CSC headquarters is 31,500 sq ft. Given the rate of growth of the issues CSC is taking on, staff anticipates the need for a larger building in the 50,000-75,000 sq ft range. At an estimated cost of \$275-\$440 per square foot, the Council will need approximately \$15- \$20 million for the new space. This must be achieved through a combination of the sale of the current building and cash on hand. The cash needed could take several years to accumulate thus staff is recommending committing an additional \$4 million of fund balance to add to the Building Fund for future needs. Setting aside these funds would not impact programs and services as they are one-time funds that should not be used for recurring expenditures. However, if circumstances were to change and the money was needed, the Council could remove or change the commitment as explained below.

Governmental Accounting Standards Board (“GASB”) requires a governing body to specifically commit fund balance for a specific purpose which cannot be used for any other purpose unless the governing body takes the same action to remove or change the constraint. This action would meet this requirement and start the forward-thinking process.

**Recommended Action:** Approve Recommendation to the Full Council to Commit additional Fund Balance as Reserved for the Building Fund to prepare for Future Growth.