



Children's Board of Hillsborough County

FINANCIAL STATEMENTS

September 30, 2022 and 2021



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REPORT



INDEPENDENT AUDITORS' REPORT

Board Members
Children's Board of Hillsborough County
Tampa, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the Children's Board of Hillsborough County (the Children's Board) as of and for the years ended September 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Children's Board 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 major fund, of the Children's Board, as of September 30, 2022 and 2021, and the respective changes in financial position for the years 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Children's Board 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.

Emphasis of Matter

Change in Accounting Principle

As described in Note 2 to the financial statements, in 2022, the Children's Board adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 87, Leases. The financial statements for 2021 have been adjusted for implementation of the new accounting guidance. Our opinion is not modified with respect to this matter.

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 Children's Board ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Children's Board 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 Children's Board 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 information and other required supplementary information as listed in the table of contents 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2023, on our consideration of the Children's Board 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 Children's Board 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 Children's Board internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tampa, Florida
March 9, 2023

**Children's Board of Hillsborough County
Management's Discussion and Analysis
(Unaudited)
September 30, 2022 and 2021**

The Children's Board of Hillsborough County's (the Children's Board) Management Discussion and Analysis (MD&A) provides a financial performance review that is designed to focus on the financial activities, resulting changes, and currently known facts for the fiscal year ended on September 30, 2022. Please read it in conjunction with the accompanying presented financial statements.

Financial Highlights

- The Hillsborough County ad valorem property tax base increased \$9.6 billion or 8.5 percent from fiscal year 2020-2021 to fiscal year 2021-2022 because of the increase in property values. Total net ad valorem revenue increased \$4.2 million or 8.4 percent. The millage rate remained at .4589 mills per \$1,000 of property value.
- The overall change in revenue from fiscal year 2020-2021 to 2021-2022 was a net increase of \$4.8 million or 9.3 percent due to the increase in ad valorem revenue, investment income, other community partner funding, and a decrease in Eckerd Administrative Services Organization (ASO) revenue, and miscellaneous income.
- The total overall change in program expenditures was a net increase of \$1.1 million or 3.3 percent for fiscal year 2021-2022 for a total of \$33.6 million (81 percent of total expenditures). This was due to new funding releases, and under spending in some continuation contracts.
- Governmental Fund balance increased \$15.5 million or 29.8 percent for fiscal year 2021-2022 because expenditures were under budget and revenue was over budget. There was a budgeted spend down of the fund balance.

Using this Annual Report

This annual report consists of a series of financial statements. The Statements of Net Position and the Statements of Activities on pages 14 and 16 provide information about the activities of the Children's Board as a whole and present a long-term view of the Children's Board's finances. Governmental Fund financial statements start on page 17. For governmental activities, these statements explain how the services were financed in the short term as well as what remains for future spending.

The Children's Board's basic financial statements provide users long-term and short-term information about the Children's Board's overall financial position. The Governmental Fund financial statements provide a current financial resource measurement focus using modified accrual accounting. The Government-Wide financial statements provide users an economic resource measurement focus based on full accrual accounting. The Government-Wide and Governmental Fund statement presentations allow the users to address relevant questions concerning the basis of comparison from year to year or government to government and the Children's Board's accountability.

**Children's Board of Hillsborough County
Management's Discussion and Analysis
(Unaudited)
September 30, 2022 and 2021**

Overview of the Financial Statements

Government-wide Financial Statements

The Statements of Net Position and the Statements of Activities report information about the Children's Board activities in a way that helps to evaluate its economic and financial position. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the method of accounting used by most private-sector companies. All the current year's revenues and expenses are considered regardless of when cash is received or paid.

These two statements report the Children's Board's net position and changes in it. Net Position is the difference between assets and liabilities. An increase in net position happens when revenue for the year exceeds expenditures.

In the Statements of Net Position (Table 1) and the Statements of Activities (Table 2) all the Children's Board's services are considered governmental activities. Appropriation funding includes property taxes, state and federal grants and other local funding to finance these activities.

**Table 1
Statements of Net Position:**

	2022	2021	2020
Assets:			
Current and Other Assets	\$ 20,879,939	\$ 18,404,807	\$ 18,507,818
Designated Assets	51,621,631	39,108,358	27,805,369
Capital Assets (net)	7,044,916	7,636,748	5,363,122
Total Assets	79,546,486	65,149,913	51,676,309
Deferred Outflows:			
Pension	1,087,042	771,031	1,034,538
Liabilities:			
Current Liabilities	5,411,331	5,882,564	5,677,536
Noncurrent Liabilities	4,320,240	2,642,427	3,805,470
Total Liabilities	9,731,571	8,524,991	9,483,006
Deferred Inflows:			
Pension	174,920	1,707,675	90,663
Net Position:			
Net Invested in Capital Assets	6,173,561	6,510,319	5,363,122
Unrestricted	64,553,476	49,177,959	37,774,056
Total Net Position	\$ 70,727,037	\$ 55,688,278	\$ 43,137,178

**Children's Board of Hillsborough County
Management's Discussion and Analysis
(Unaudited)
September 30, 2022 and 2021**

Total Assets increased \$14.4 million and 22 percent because of the increase in Future Commitments, and an increase in the capital reserve.

**Table 2
Statements of Activities:**

	2022	2021	2020
Expenses:			
Program Expense	\$ 33,296,147	\$ 32,228,044	\$ 32,974,647
Operating and Non-Operating Expense	7,765,019	6,551,136	6,705,923
Depreciation Expense	591,832	525,382	215,366
Interest Expense	25,202	28,597	-
Total Expenses	41,678,200	39,333,159	39,895,936
 Revenues:			
Ad Valorem Taxes	54,608,379	50,364,885	46,246,825
Investment Income	639,715	96,355	628,770
Other Funding	1,468,865	1,423,019	1,797,168
Total Revenues	56,716,959	51,884,259	48,672,763
Change in Net Position	15,038,759	12,551,100	8,776,827
Net Position - Beginning of Year	55,688,278	43,137,178	34,360,351
Net Position - End of Year	\$ 70,727,037	\$ 55,688,278	\$ 43,137,178

The Statement of Activities presents information showing how the Children's Board 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows only in future fiscal periods.

Total expenses increased \$2.3 million or 6 percent from fiscal year 2020-2021 to fiscal year 2021-2022. Operating and non-operating expenses increased \$1.2 million or 18.5 percent for the fiscal period.

The overall change in total revenues was a net increase of \$4.8 million over the prior year. Ad Valorem Taxes increased 8.4 percent due to an increase in property values. Investment Income increased 564 percent because of an increase in the interest rate. Other funding increased 3.2 percent due to an increase in Hillsborough Board of County Commissioners summer funding.

**Children's Board of Hillsborough County
Management's Discussion and Analysis
(Unaudited)
September 30, 2022 and 2021**

Governmental Fund Financial Statements

The Governmental Fund financial statements starting on page 17 focus on the individual parts of the Children's Board's activities and reports the Children's Board's operations in more detail than the Government-Wide statements.

The traditional users of government financial statements will find the Governmental Fund financial statement presentation more familiar. The Children's Board uses only one government fund category and does not have any proprietary or fiduciary funds activity.

Governmental Fund – All of The Children's Board's services are reported in a governmental fund. This focuses on cash and other financial assets that can readily be converted to cash and the balances left at year-end that are available for spending. Consequently, the Governmental Fund statements provide a detailed short-term view that helps the readers determine whether there are financial resources available to finance the Children's Board's basic services in the near future. Because this information does not encompass the additional long-term focus of the Government-Wide financial statements, we describe the relationship (or differences) between governmental activities (reported in the Statements of Net Position and the Statements of Activities) and Governmental Fund in a reconciliation following the fund financial statements.

	2022	2021	2020
Fund Balance:			
Nonspendable Fund Balance:			
Prepaid Expenditures	\$ 19,732	\$ 19,732	\$ 19,153
Committed Fund Balance:			
Building and Capital Reserve	981,627	681,627	384,027
Minimal Operational Expenditures	3,332,167	2,844,996	2,667,495
Assigned Fund Balance:			
Future Commitments of Current Programs	47,307,837	35,581,735	24,753,847
Unassigned Fund Balance:			
Unassigned Funds	15,730,359	12,764,484	12,823,306
Total Fund Balance	\$ 67,371,722	\$ 51,892,574	\$ 40,647,828

**Children's Board of Hillsborough County
Management's Discussion and Analysis
(Unaudited)
September 30, 2022 and 2021**

Summary of Balance Sheet

The Governmental Fund Balance Sheet on page 17 presents information on the Children's Board's assets and liabilities and the combined fund balance. The fund balance increased from \$51.9 million to \$67.4 million primarily due to underspending in program funding.

The \$67.4 million fund balance at September 30, 2022 consists of non-spendable, committed, assigned and unassigned categories. The non-spendable fund balance includes \$19.7 thousand of prepaid expenditures. The committed fund balance includes the building and capital reserve and minimal operational expenditures for the first two months of each fiscal year totaling \$4.3 million. The assigned fund balance is for future commitments of current programs totaling \$47.3 million. The remaining \$15.7 million represents the unassigned fund balance, which is the remaining portion of the fund balance that has not been restricted, committed, or assigned which is available for general purposes.

Statements of Revenues, Expenditures and Changes in Fund Balance

Total revenues from the Governmental Fund were \$56.7 million in FY 2021-2022, a 9.3 percent increase from FY 2020-2021. The ad-valorem tax revenues, the Children's Board's largest revenue source, was \$54.6 million. This was an 8.4 percent increase from FY 2020-2021 because of the increase in property values. The millage rate remained at .4589.

Total expenditures for Governmental Fund were \$41.2 million, a 1.5 percent increase from FY 2020-2021. This included \$5.9 million in operating expenditures, \$1.4 million in non-operating, \$280,276 of debt service expenditures, no expenditures for capital outlay, and \$33.6 million in program expenditures. The program expenditures included an overall 3.3 percent increase.

At year-end 2021-2022, the Children's Board's general fund reported \$67.4 million in fund balance, which is an increase of \$15.5 million or 30 percent increase from fiscal year 2020-2021.

**Children's Board of Hillsborough County
Management's Discussion and Analysis
(Unaudited)
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**Table 3
General Fund Budgetary Highlights:**

	Original Budget 2021 - 2022	Amended Budget 2021 - 2022	Actual 2021 - 2022
Revenues			
Ad valorem taxes	\$ 53,833,708	\$ 53,833,708	\$ 54,608,379
Investment Income	66,000	66,000	639,715
Other Funding	1,983,000	1,983,000	1,468,865
Total Revenues	55,882,708	55,882,708	56,716,959
Expenditures			
Personnel	5,141,710	5,141,710	4,591,296
Operational Expenses	2,014,615	2,014,615	1,358,623
Capital	1,500,000	1,500,000	-
Local Government Fees	1,554,993	1,554,993	1,431,193
Debt Service	-	-	280,276
Program Expenses	46,575,024	46,575,024	33,576,423
Total Expenditures	56,786,342	56,786,342	41,237,811
Change to Fund Balance	\$ (903,634)	\$ (903,634)	\$ 15,479,148

General Fund Budget Comparison

Total revenues exceeded total expenditures by \$15.5 million in the general fund for fiscal year 2021-2022 as shown in Table 3.

Total Actual general fund revenues were \$.83 million and 1.4 percent more than the budgeted revenues for fiscal year 2021-2022.

The actual expenditures were \$15.6 million below the budget amounts due to underspending in both operating and program budgets. Operating expenditures were under budget due to vacant positions throughout the year, and underspending in supplies, and contracted services. Local government fees and capital expenditures were also under budget. Unallocated funds through the competitive process and under spending in program contracts resulted in program expenditures being under budget for fiscal year 2021-2022.

The Children's Board's general fund balance change of \$15.5 million reported (Table 3) differs from the amended general fund's budgeted fund balance change of (\$.9) million. This is principally because of lower than anticipated program and operating expenditures.

**Children's Board of Hillsborough County
Management's Discussion and Analysis
(Unaudited)
September 30, 2022 and 2021**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Children's Board has established a fixed asset amount of \$5,000 and greater as the threshold to recognize capitalized assets.

Change in Capital Assets

	Balance 09/30/21	Additions	Retirements/ Transfers	Balance 09/30/22
Non-depreciable assets:				
Land-Palm Avenue	\$ 1,082,724	\$ -	\$ -	\$ 1,082,724
Land-FRC Temple Terrace	300,000	-	-	300,000
Land-FRC Plant City	175,000	-	-	175,000
Depreciable assets:				
Right-to-use lease assets	1,370,865	-	-	1,370,865
Building-Palm Avenue	4,730,008	-	-	4,730,008
Building-FRC Temple Terrace	1,063,327	-	-	1,063,327
Building-FRC Plant City	1,981,494	-	-	1,981,494
Improvements	178,704	-	-	178,704
Improvements other than building	414,711	-	-	414,711
Office Equipment	5,880	-	-	5,880
Office Furniture	39,806	-	-	39,806
Computer Equipment	11,151	-	-	11,151
	11,353,670	-	-	11,353,670
Less, accumulated depreciation:				
Right-to-use lease assets	261,747	261,747	-	523,494
Building-Palm Avenue	2,746,032	157,667	-	2,903,699
Building-FRC Temple Terrace	93,041	53,166	-	146,207
Building-FRC Plant City	33,024	99,075	-	132,099
Improvements	111,530	20,177	-	131,707
Improvements other than building	414,711	-	-	414,711
Office Equipment	5,880	-	-	5,880
Office Furniture	39,806	-	-	39,806
Computer Equipment	11,151	-	-	11,151
	3,716,922	591,832	-	4,308,754
Capital Assets, Net	\$ 7,636,748	\$ (591,832)	\$ -	\$ 7,044,916

**Children's Board of Hillsborough County
Management's Discussion and Analysis
(Unaudited)
September 30, 2022 and 2021**

	Balance 09/30/20	Additions	Retirements/ Transfers	Balance 09/30/21
Non-depreciable assets:				
Land-Palm Avenue	\$ 1,082,724	\$ -	\$ -	\$ 1,082,724
Land-FRC Temple Terrace	300,000	-	-	300,000
Land-FRC Plant City	175,000	-	-	175,000
Depreciable assets:				
Right-to-use lease assets	1,370,865	-	-	1,370,865
Building-Palm Avenue	4,730,008	-	-	4,730,008
Building-FRC Temple Terrace	1,063,327	-	-	1,063,327
Building-FRC Plant City	530,000	1,451,494	-	1,981,494
Improvements	170,710	7,994	-	178,704
Construction-in-Progress	31,345	-	(31,345)	-
Improvements other than building	414,711	-	-	414,711
Office Equipment	5,880	-	-	5,880
Office Furniture	39,806	-	-	39,806
Computer Equipment	11,151	-	-	11,151
	9,925,527	1,459,488	(31,345)	11,353,670
Less, accumulated depreciation:				
Right-to-use lease assets	-	261,747	-	261,747
Building-Palm Avenue	2,588,365	157,667	-	2,746,032
Building-FRC Temple Terrace	39,875	53,166	-	93,041
Building-FRC Plant City	-	33,024	-	33,024
Improvements	91,752	19,778	-	111,530
Improvements other than building	414,711	-	-	414,711
Office Equipment	5,880	-	-	5,880
Office Furniture	39,806	-	-	39,806
Computer Equipment	11,151	-	-	11,151
	3,191,540	525,382	-	3,716,922
Capital Assets, Net	\$ 6,733,987	\$ 934,106	\$ (31,345)	\$ 7,636,748

Change in Capital Assets:

At the end of the fiscal year 2021-2022, the Children's Board had \$10 Million invested in a variety of capital assets. There was no change in total assets from FY 2020-2021.

**Children's Board of Hillsborough County
Management's Discussion and Analysis
(Unaudited)
September 30, 2022 and 2021**

Long Term Debt

At September 30, 2022, the Children's Board had \$3.73 million in long-term debt versus \$1.78 million at September 30, 2021, a net increase of \$2 million and 110 percent. This obligation is comprised of compensatory vacation, sick leave and pension liabilities accrued. The net change consists of additions which occurred when additional leave was accrued, deletions which occurred when leaves were used and net post-employment benefits earned by employees during the year.

Section 125.901(3) (a) 6, Florida Statutes, (as it existed prior to October 1, 1990) states that the Children's Board has the power and duty to lease or buy such real estate, equipment, and personal property and to construct such buildings as are needed to execute the foregoing powers and duties, provided that no such purchases shall be made or building done except for cash with funds on hand.

More detail information on capital assets and long-term debt are provided in notes 3 and 4 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Children's Board considered many factors when setting the fiscal year 2021-2022 budget and millage rate. The Children's Board promotes the well-being of children and families by uniting community partners, investing in innovative opportunities, and leading the county in best practices—so the whole community can realize its full potential. The organization funds programs and services for children and families throughout Hillsborough County. The primary result of Children's Board funding is that children are healthy and have acquired the developmental foundations needed to succeed in school and in life.

The Children's Board strategically funds faith based and non-profit organizations for services, personnel, programs, and supports that are proven to improve the lives of children and families. The Children's Board also funds training, technical assistance, capacity building, neighborhood initiatives and advocacy activities to create positive community conditions that benefit children and families. The Children's Board identifies child, family, and community needs; determines the best programs and services to fund; selects and contracts with the best program/service providers; and monitors program performance. The Children's Board evaluates the impact of its programs and participates in service and systems planning. Staff support is provided for technical assistance and training to support providers.

The Hillsborough County Property Appraiser's Office reassessed Just Values for market value increases on the 2021-2022 tax rolls presented to the taxing authorities. Accordingly, ad valorem revenues for the Children's Board are budgeted to increase by \$8 million for a total of \$61.9 million for fiscal year 2022-2023 with a millage rate remaining at .4589.

**Children's Board of Hillsborough County
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The continuation of the Children's Board Strategic Investment plan and current economic conditions were considered when adopting the general fund budget for fiscal year 2022-2023. The total budget for FY 2022-2023 is \$66.5 million, a net increase of 17.1 percent over the 2021-2022 budget of \$56.8 million. The Children's Board will appropriate \$2.9 million from fund balance in fiscal year 2022-2023.

Contacting the Children's Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Children's Board's finances and to demonstrate the Children's Board's accountability for the money it receives.

If you have questions about this report or need additional financial information, contact:

Tonia Williams, Director of Finance
Children's Board of Hillsborough County
1002 E. Palm Avenue
Tampa, FL 33605
Telephone (813) 229-2884
or visit the Children's Board's web site at
www.childrensboard.org



Children's Board
HILLSBOROUGH COUNTY

www.ChildrensBoard.org



BASIC FINANCIAL STATEMENTS



Children's Board of Hillsborough County
Statements of Net Position
September 30, 2022 and 2021

	2022	2021
ASSETS		
Current Assets		
Cash and Cash Equivalents and Investments	\$ 20,100,340	\$ 17,584,324
Receivables:		
Ad Valorem Taxes	428,430	410,023
Other	331,437	390,728
Prepaid Expenses	19,732	19,732
Total Current Assets	20,879,939	18,404,807
Noncurrent Assets		
Designated Assets		
Cash and Cash Equivalents and Investments		
Future Commitments	47,307,837	35,581,735
Minimum Operating Expenses	3,332,167	2,844,996
Building and Capital Reserve	981,627	681,627
Total Designated Assets	51,621,631	39,108,358
Capital Assets		
Land	1,557,724	1,557,724
Property and Equipment	8,425,081	8,425,081
Right-to-use lease assets	1,370,865	1,370,865
	11,353,670	11,353,670
Less: Accumulated Depreciation	(4,308,754)	(3,716,922)
Net Capital Assets	7,044,916	7,636,748
Total Assets	79,546,486	65,149,913
DEFERRED OUTFLOWS OF RESOURCES		
Pension	1,087,042	771,031

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

Children's Board of Hillsborough County
Statements of Net Position (Continued)
September 30, 2022 and 2021

	2022	2021
LIABILITIES		
Current Liabilities		
Accounts Payable	124,627	177,555
Contracts Payable	4,863,255	5,210,082
Accrued Salaries, Wages and Benefits	96,078	232,954
Compensated Absences	27,498	6,899
Lease Liability	253,984	255,074
Other Liabilities	45,889	-
Total Current Liabilities	5,411,331	5,882,564
Noncurrent Liabilities		
Compensated Absences	293,979	320,112
Lease Liability	617,371	871,355
Net Pension Liability	3,408,890	1,450,960
Total Liabilities	9,731,571	8,524,991
DEFERRED INFLOWS OF RESOURCES		
Pension	174,920	1,707,675
NET POSITION		
Net Investment in Capital Assets	6,173,561	6,510,319
Unrestricted	64,553,476	49,177,959
Total Net Position	\$ 70,727,037	\$ 55,688,278

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

Children's Board of Hillsborough County
Statements of Activities
September 30, 2022 and 2021

	2022	2021
Expenses		
Program	\$ 33,296,147	\$ 32,228,044
Operating	6,333,826	5,223,816
Non-Operating	1,431,193	1,327,320
Unallocated Depreciation	591,832	525,382
Interest Expense	25,202	28,597
Total Expenses	41,678,200	39,333,159
Revenues		
Ad Valorem Taxes	54,608,379	50,364,885
Investment Income	639,715	96,355
Administrative Services Organization Funding	931,987	944,864
Other Community Partner Funding	387,183	286,757
Miscellaneous Income	149,695	191,398
Total Revenues	56,716,959	51,884,259
Change in Net Position	15,038,759	12,551,100
Net Position, Beginning of Year	55,688,278	43,137,178
Net Position, End of Year	\$ 70,727,037	\$ 55,688,278

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

**Children's Board of Hillsborough County
Balance Sheets – General Fund
September 30, 2022 and 2021**

	2022	2021
ASSETS		
Cash and Cash Equivalents and Investments	\$ 20,100,340	\$ 17,584,324
Receivables		
Ad Valorem Taxes	428,430	410,023
Other	331,437	390,728
Prepaid Expenditures	19,732	19,732
Designated Assets		
Cash and Cash Equivalents and Investments		
Future Commitments	47,307,837	35,581,735
Minimum Operational Expenditures	3,332,167	2,844,996
Building and Capital Reserve	981,627	681,627
Total Assets	\$ 72,501,570	\$ 57,513,165
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts Payable	\$ 124,627	\$ 178,005
Contracts Payable	4,863,255	5,210,082
Accrued Salaries, Wages and Benefits	96,078	232,954
Other Liabilities	45,888	(450)
Total Liabilities	5,129,848	5,620,591
FUND BALANCE		
Nonspendable Fund Balance		
Prepaid Expenditures	19,732	19,732
Committed Fund Balance		
Building and Capital Reserve	981,627	681,627
Minimal Operational Expenditures	3,332,167	2,844,996
Assigned Fund Balance		
Future Commitments of Current Programs	47,307,837	35,581,735
Unassigned Fund Balance		
Unassigned Funds	15,730,359	12,764,484
Total Fund Balance	67,371,722	51,892,574
Total Liabilities and Fund Balance	\$ 72,501,570	\$ 57,513,165

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

**Children's Board of Hillsborough County
Reconciliation of Total Governmental Fund Balance
to Statements of Net Position
September 30, 2022 and 2021**

	2022	2021
Total Governmental Fund Balance	\$ 67,371,722	\$ 51,892,574
Amounts reported for governmental activities in the statements of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	7,044,916	7,636,748
Deferred outflows of resources and deferred inflows of resources related to pensions are applicable to future periods and, therefore are not reported in the governmental funds.		
Deferred outflows of resources related to pensions	1,087,042	771,031
Deferred inflows of resources related to pensions	(174,920)	(1,707,675)
Some liabilities applicable to the Children's Board's governmental activities are not due and payable in the current period and are not reported as fund liabilities.		
Lease liability	(871,355)	(1,126,429)
Compensated absences	(321,478)	(327,011)
Net pension liability	(3,408,890)	(1,450,960)
Net Position of Governmental Activities	\$ 70,727,037	\$ 55,688,278

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

Children's Board of Hillsborough County
Statements of Revenues, Expenditures, and Changes in
Fund Balance – General Fund
September 30, 2022 and 2021

	2022	2021
Operating Revenues		
Ad Valorem Taxes	\$ 54,608,379	\$ 50,364,885
Investment Income	639,715	96,355
Administrative Services Organization	931,987	944,864
Other Community Partner Funding	387,183	286,757
Miscellaneous Income	149,695	191,398
Total Revenues	56,716,959	51,884,259
Expenditures		
Program		
Continuation and New Funding	33,576,423	32,501,077
Operating		
Salaries	3,358,291	2,999,811
Employee Benefits	1,233,005	1,048,972
Contracted Professional Services	346,197	347,871
Facility Expenditures	146,131	32,954
Family Resource Center Occupancy Expenditures	438,097	418,397
Professional Development	110,563	43,891
Other Operating	317,635	218,044
Total Operating	5,949,919	5,109,940
Non-Operating		
Capital Outlay	-	1,428,143
Local Government Fees	1,431,193	1,327,320
Total Non-Operating	1,431,193	2,755,463
Debt Service		
Principal	255,074	244,436
Interest	25,202	28,597
Total Debt Service	280,276	273,033
Total Expenditures	41,237,811	40,639,513
Net Change in Fund Balance	15,479,148	11,244,746
Fund Balance, Beginning of Year	51,892,574	40,647,828
Fund Balance, End of Year	\$ 67,371,722	\$ 51,892,574

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

Children's Board of Hillsborough County
Reconciliation of Statements of Revenues, Expenditures, and Changes in
Fund Balance - Governmental Fund to Statements of Activities
September 30, 2022 and 2021

	2022	2021
Net Change in Fund Balance - Total Governmental Funds	\$ 15,479,148	\$ 11,244,746
Amounts reported for governmental activities in the statements of activities are different because:		
Some expenses reported in the statements of activities do not require the use of financial resources and therefore are not reported as expenditures in governmental funds. These expenses are:		
Compensated Absences	5,533	(21,939)
Pension Expense	(109,164)	181,096
Governmental funds report capital outlays as expenditures. However, in the statements of activities the cost of assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.		
Expenditures for capital assets	-	1,428,143
Less current year depreciation	(591,832)	(525,382)
	(591,832)	902,761
Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces lease liabilities in the statement of net position.		
	255,074	244,436
Change in Net Position of Governmental Activities	\$ 15,038,759	\$ 12,551,100

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

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Reporting Entity:

The Children's Board of Hillsborough County (the Children's Board) is authorized under section 125.901, Florida Statutes (Chapter 86-197, Laws of Florida). The Children's Board was established as an independent special district by the approval of county voters in 1988 and the effective date of the creation of the Children's Board was January 1, 1989. As authorized in Section 31 of Chapter 90-288, Laws of Florida, the Children's Board operates under the provisions of section 125.901, Florida Statutes, as they existed prior to October 1, 1990.

The Children's Board has been determined to be an "Independent Special District" as described in Section 189.403, Florida Statutes, and is an "Other Stand-Alone Government" as defined by Governmental Accounting Standards Board (GASB) of the Financial Accounting Foundation Statement No. 14, *The Financial Reporting Entity*. An Other Stand-Alone Government does not have a separately elected governing body and does not meet the definition of a component unit of a primary government, as defined. The Children's Board is authorized to levy an ad valorem tax of up to one-half mil (\$.0005) on the taxable value of real and tangible personal property within the jurisdiction of its members. The Children's Board's ad valorem taxes are assessed as part of the annual assessment of Hillsborough County, which levies its taxes November 1 of each year. Collection of taxes is scheduled for November through the following March. Taxes become delinquent April 1 and tax certificates placing liens on the property are sold May 31.

The mission of the Children's Board is: The Children's Board invests in partnerships and quality programs to support the success of all children and families in Hillsborough County.

The primary focus of the Children's Board investments in the community is to support programs that strive to ensure children are ready to learn, developmentally on track, healthy and in safe and stable environments.

The Children's Board is constantly surveying the community for the needs of children and families; reviewing local data and supporting programming that aligns with the Mission to meet those needs. Program investments are monitored and evaluated individually for performance and our focus areas are then analyzed for community impact.

The Children's Board funds training, technical assistance, capacity building, neighborhood initiatives and emerging community needs that were otherwise not anticipated. All of these funding streams blend together to create positive community conditions that benefit children and families.

The significant accounting policies followed are described below.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting and Presentation

The financial statements of the Children's Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles.

Government-Wide Financial Statements: The Statements of Net Position and the Statements of Activities display information on all of the activities of the Children's Board as a whole.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the way governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Net position is reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Governmental Fund Financial Statements: The financial transactions of the Children's Board are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund balance, revenues and expenditures/expenses.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Children's Board considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Grant revenues are recognized in the fiscal year in which all eligibility criteria have been satisfied. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due and executed.

The following is a description of the governmental funds the Children's Board has presented:

The General Fund is the general operating fund of the Children's Board. It is used to account for all financial resources except those required to be accounted for in other funds.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting and Presentation (Continued)

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise of a hierarchy based primarily on the extent to which the Children's Board is bound to honor constraints on the specific purpose for which amounts in their fund can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. As of September 30, 2022 and 2021, there are no restricted fund balances.

Committed – This component consists of amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Children's Board highest level of decision-making authority, which is a resolution. Committed amounts cannot be used for any other purpose unless the Children's Board removes those constraints by taking the same type of action. The Board of Directors can establish, modify or rescind a fund balance commitment through the formal approval of a resolution.

Assigned – This component consists of amounts that are constrained by the Children's Board intent to be used for specific purposes, but are neither restricted nor committed. The Executive Director has been given the authority to assign specific items of fund balance as expressed in the Children's Board Fund Balance Policy.

Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund.

In general, restricted funds are used first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. For unrestricted fund balance, the order in which resources shall be spent is committed, assigned, and then unassigned.

Net Position: Net Position presents the difference between assets and liabilities in the statements of net position. Net position is reported as restricted when there are legal limitations imposed on their use by laws or regulations of other governments or external restrictions by creditors or grantors. An unrestricted net position may be designated for specific purposes at the option of the Board of Directors. If restricted and unrestricted net positions are available for the same purpose, then the restricted position will be used before unrestricted position.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting and Presentation (Continued)

Designated Assets: Designated assets represent cash, cash equivalents, and investments committed or assigned by the Board of Directors or Executive Officers, for building and capital reserve, minimal operating expenditures, and future commitments. Committed assets are restricted for use by formal action of the Board. Assigned assets are those assets intended for a specific use by the executives of the Children's Board. As of September 30, 2022 and 2021 there are designated assets of \$51,621,631 and \$39,108,358, respectively.

Recently Issued and Implemented Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Additional information about the changes to the financial statements related to the implementation of this Statement can be found in Note 7.

Estimates

The preparation of financial statements in conformity with GAAP requires the use of estimates that affect certain reported amounts and disclosures. These estimates are based on management's knowledge and experience. Accordingly, actual results could differ from these estimates.

Budgets

A formal budget is adopted for the general fund on a GAAP basis and is used as a limitation on expenditures. The original version of the budget was approved by the Board of Directors of the Children's Board on August 26, 2021 and became effective on October 1, 2021. After final approval, no reductions or increases are permitted, except for adjustments in the administrative budget, without the approval of the Board of Directors. The Executive Director is permitted to change the category amounts within the administrative budget by 10% so long as the aggregate administrative budget is not increased. The Executive Director may, by approval of the funded agency, adjust the line items of program budgets of funded agencies, including transfer of funds between programs operated by the same agency, and provided such transfers do not increase the aggregate allocation to the agency approved by the Board. Appropriations lapse at yearend and budgetary control is at the fund level.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents and Investments

Cash consists of checking accounts, collectively designated as demand deposits. Cash deposits are carried at cost. The Children's Board considers all highly liquid debt instruments (including restricted assets) with original maturities of three months or less to be cash equivalents. Cash equivalents are recorded at amortized cost, which approximates fair value. The investments constitute the fair value of the shares in the Local Government Surplus Funds Trust Fund for fiscal years 2021-2022 and 2020-2021.

Capital Assets

Capital assets with an original value of \$5,000 or more, and additions, improvements and other capital outlays having an original cost of \$5,000 or more that significantly extend the useful life are capitalized. Capital assets are accounted for in the government-wide statements, rather than in the fund financial statements. Routine maintenance, repairs, renewals and replacement costs are charged against operations.

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated fixed assets are valued at their estimated acquisition value on the date donated.

The depreciation on assets, where disclosed, is provided using the straight-line method over the following estimated useful lives:

Buildings	30 years
Improvements	7 years
Improvements other than building	10 years
Office equipment	5 years
Office furniture	7 years
Computer equipment	3 years

Contracts Payable

Contracts payable represents the Children's Board's liability to funded agencies for expenditures incurred under approved contracts which had not been paid by the Children's Board at year end.

Compensated Absences

Following Hillsborough County's Civil Service Law and pursuant to the Rules of the Civil Service Board, full-time, classified, permanent employees earn a paid vacation of two calendar weeks (10 working days) a year, increasing on a graduated scale to a maximum period of four calendar weeks (20 working days) after 15 years of service. Unclassified employees earn a paid vacation of three calendar weeks (15 working days) a year increasing on a graduated scale to a maximum period of six calendar weeks (30 working days) after 15 years of service.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (Continued)

Prior to February 2, 1997, all employees could accrue vacation without limit for use during the period of active employment, but payments of unused vacation for classified employees generally were limited to two times the number of days that the employee was entitled to accrue on an annual basis. However, effective on February 2, 1997, payments for unused annual leave are now subject to a limit of 320 hours or the employee's balance of accrued leave before February 2, 1997, whichever is greater.

In accordance with Statement No. 16 of GASB, *Accounting for Compensated Absences*, the compensated absences liability represents an accrual for vacation and sick leave and is calculated based on the pay or salary rates in effect at the balance sheet date. Additionally, accruals have been made for salary-related payments associated with the payment of compensated absences, using the rates in effect at the balance sheet date. The salary-related payments subject to this accrual are those items for which an employer is liable to make a payment directly and incrementally associated with payments made for compensated absences on termination.

Accordingly, the Children's Board has recognized 7.65% of the compensated absences liability, representing its share of the Social Security and Medicare taxes. An accrual is also made for the pension cost related to Florida Retirement Service and the ICMA 457 Plan for compensated absence calculations.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the Florida Retirement System (FRS or the System) and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS' and HIS' plan net position has been determined on the same basis as they are reported by FRS and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Leases

Lease contracts that provide the Children's Board with control of a non-financial asset, such as buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

Property tax collections are governed by Chapter 197, Florida Statutes. The Hillsborough County Tax Collector bills and collects all property taxes levied within the County. Discounts of 4, 3, 2, and 1% are allowed for early payment in November, December, January, and February, respectively. The Tax Collector remits collected taxes at least monthly to the Children's Board. The Children's Board recognizes property tax revenue as it is received at the government-wide level and at the government fund level. As such, the Children's Board does not reserve an amount for an allowance for doubtful accounts. The calendar of events is as follows:

January 1	Property taxes are based on assessed value at this date as determined by the Hillsborough County Property Appraiser.
July 1	Assessment roll approved by the state.
September 27	Millage resolution approved by the Board of Directors
October 1	Beginning of fiscal year for which taxes have been levied.
November 1	Property taxes due and payable.
November 30	Last day for 4% maximum discount.
April 1	Unpaid property taxes become delinquent.
May 15	Tax certificates are sold by the Hillsborough County Tax Collector. This is the first lien date on the properties.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 9, 2023 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 2: CHANGE IN ACCOUNTING PRINCIPLE

In fiscal year 2022, the Children’s Board implemented GASB Statement No. 87, Leases. In accordance with generally accepted accounting principles, the implementation of this statement requires the restatement of the September 30, 2021 net position in the statement of activities to record the cumulative effect of recording the original basis of the leased assets less accumulated amortization, net of the respective lease liabilities as of September 30, 2021.

	Governmental Activities
Net position, September 30, 2021, as previously reported	\$ 55,705,589
Right-to-use lease assets	1,109,118
Lease liability	(1,126,429)
Net position, DSeptember 30, 2021, restated	\$ 55,688,278

Note 3: CASH, CASH EQUIVALENTS AND INVESTMENTS

On September 30, 2022, the bank balance of the Children’s Board deposits was \$2,739,930 and the book balance was \$2,710,993. On September 30, 2021, the bank balance of the Children’s Board deposits was \$8,315,940 and the book balance was \$8,291,396. The difference between the Children’s Board book amount and bank amount is due to outstanding checks in its demand deposit accounts.

Of the September 30, 2022 Children’s Board bank balances, \$250,000 was covered by federal depository insurance (FDIC). Of the September 30, 2021 bank balances, \$250,000 was covered by FDIC. The State of Florida collateral pool is a multiple financial institution pool with the ability to assess its members for collateral shortfalls if its member institution fails. Required collateral is defined under Chapter 280 of the Florida Statutes, *Security for Public Deposits*.

Custodial Credit Risk – Deposits

Custodial risk is the risk that in the event of bank failure, the Children’s Board’s deposits may not be returned to it. Florida Statutes require deposits by governmental units in a financial institution be collateralized. The State of Florida maintains control over the collateral requirements and authorizes certain financial institutions to act as depositories for governmental units. The Children’s Board maintains all accounts in financial institutions approved by the State of Florida.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 3: CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments

The investment policy of the Children’s Board is established in accordance with Florida Statutes Section 218.415, the Statutory Investment Policy Method. The objective of the investment policy is to ensure protection of principal, provide adequate liquidity and earn a competitive market rate of return. Florida Statutes also authorizes the Children’s Board to invest excess funds in the Local Government Surplus Funds Trust Fund Investment Pool (Florida PRIME) administered by the State Board of Administration under the regulatory local government oversight of the State of Florida. The balance in that account on September 30, 2022 and September 30, 2021 was \$69,010,979 and \$48,401,286, respectively. These types of investments are classified as Cash Equivalents on the Statements of Net Position and Balance Sheet due to the nature of the underlying securities and their corresponding liquidity.

The Children’s Board continues to monitor the economic environment in order to identify other investment options to maximize attainment of the investment policy objectives.

For fiscal year ended September 30, 2022 and 2021, the Children’s Board utilized a Public Funds Non-Interest-Bearing Checking account, with Wells Fargo Bank, for all banking transactions. The Children’s Board also invested short term surplus funds in the Florida PRIME.

At September 30, 2022, the Children’s Board’s investments, with their corresponding ratings from Standard & Poor’s, were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Local Government Surplus Funds Trust Fund Florida Prime	\$ 69,010,979	AAAm
<u>Concentration of Credit Risk Issuer</u>	<u>Amount</u>	<u>% of Portfolio</u>
Local Government Surplus Funds Trust Fund Florida PRIME	\$ 69,010,979	100%

**Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021**

Note 3: CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments (Continued)

At September 30, 2021, the Children’s Board’s investments, with their corresponding ratings from Standard & Poor’s, were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Local Government Surplus Funds Trust Fund Florida Prime	\$ 48,401,286	AAAm

<u>Concentration of Credit Risk Issuer</u>	<u>Amount</u>	<u>% of Portfolio</u>
Local Government Surplus Funds Trust Fund Florida PRIME	\$ 48,401,286	100%

Concentration of Credit Risk

The Children’s Board places no limit on the amount they may invest in any one issuer. The majority of the Board’s investments are in the Local Government Surplus Funds Trust Fund Florida PRIME account.

Interest Rate Risk

As a means of limiting its exposure to fair market value losses arising from interest rates, the Children’s Board’s investment policy is structured to provide sufficient liquidity to pay obligations as they come due. All of the Children’s Board’s investment portfolios were intended to have maturities of less than one year.

Fair Value

GASB Codification Section 3100: Fair Value Measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 3: CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments (Continued)

The three levels of the fair value hierarchy under the codification are described as follows:

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Children’s Board has the ability to access.

Level 2 (L2): Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Local Government Investment Pools – Florida PRIME is valued at net asset value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Children’s Board believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair Value of Investments in Entities that Use Net Asset Value (NAV) – The following table summarizes investments measured at fair value based on NAV per share as of September 30, 2022 and 2021:

As of September 30,	Fair Value	
	2022	2021
Investments measured at amortized cost		
Local Government Investment Pools		
Florida PRIME	\$ 69,010,979	\$ 48,401,286
Total investments	\$ 69,010,979	\$ 48,401,286

**Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021**

Note 3: CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Withdrawal Limitations

As of September 30, 2022, and 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that served to limit the Children's Board's daily access to 100 percent the account balance held at the Florida Prime.

As of September 30, 2022, the Children's Board has the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>				
		<u>Less than 1</u>	<u>1 - 3</u>	<u>3 - 5</u>	<u>5 - 10</u>	<u>10 - 20</u>
Local Government Surplus Funds Trust Fund Florida PRIME	\$ 69,010,979	\$69,010,979	\$ -	\$ -	\$ -	\$ -

As of September 30, 2021, the Children's Board had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>				
		<u>Less than 1</u>	<u>1 - 3</u>	<u>3 - 5</u>	<u>5 - 10</u>	<u>10 - 20</u>
Local Government Surplus Funds Trust Fund Florida PRIME	\$ 48,401,286	\$ 48,401,286	\$ -	\$ -	\$ -	\$ -

The statements of net position classifications are summarized by investment categories as follows:

	<u>2022</u>	<u>2021</u>
Cash	\$ 2,710,993	\$ 8,291,396
Local Government Surplus Funds Trust Florida PRIME	<u>69,010,979</u>	<u>48,401,286</u>
	<u>\$71,721,971</u>	<u>\$56,692,682</u>

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 3: CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments (Continued)

Cash and cash equivalents are reported in the accompanying statements of net position as follows:

	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$20,100,340	\$17,584,324
Designated assets		
Cash and cash equivalents	<u>51,621,631</u>	<u>39,108,358</u>
	<u>\$71,721,971</u>	<u>\$56,692,682</u>

Note 4: CAPITAL ASSETS

	Balance 09/30/21	Additions	Retirements/ Transfers	Balance 09/30/22
Non-depreciable assets:				
Land-Palm Avenue	\$ 1,082,724	\$ -	\$ -	\$ 1,082,724
Land-FRC Temple Terrace	300,000	-	-	300,000
Land-FRC Plant City	175,000	-	-	175,000
Depreciable assets:				
Right-to-use lease assets	1,370,865	-	-	1,370,865
Building-Palm Avenue	4,730,008	-	-	4,730,008
Building-FRC Temple Terrace	1,063,327	-	-	1,063,327
Building-FRC Plant City	1,981,494	-	-	1,981,494
Improvements	178,704	-	-	178,704
Improvements other than building	414,711	-	-	414,711
Office Equipment	5,880	-	-	5,880
Office Furniture	39,806	-	-	39,806
Computer Equipment	11,151	-	-	11,151
	11,353,670	-	-	11,353,670
Less, accumulated depreciation:				
Right-to-use lease assets	261,747	261,747	-	523,494
Building-Palm Avenue	2,746,032	157,667	-	2,903,699
Building-FRC Temple Terrace	93,041	53,166	-	146,207
Building-FRC Plant City	33,024	99,075	-	132,099
Improvements	111,530	20,177	-	131,707
Improvements other than building	414,711	-	-	414,711
Office Equipment	5,880	-	-	5,880
Office Furniture	39,806	-	-	39,806
Computer Equipment	11,151	-	-	11,151
	3,716,922	591,832	-	4,308,754
Capital Assets, Net	\$ 7,636,748	\$ (591,832)	\$ -	\$ 7,044,916

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 4: CAPITAL ASSETS (Continued)

	Balance 09/30/20	Additions	Retirements/ Transfers	Balance 09/30/21
Non-depreciable assets:				
Land-Palm Avenue	\$ 1,082,724	\$ -	\$ -	\$ 1,082,724
Land-FRC Temple Terrace	300,000	-	-	300,000
Land-FRC Plant City	175,000	-	-	175,000
Depreciable assets:				
Right-to-use lease assets	1,370,865	-	-	1,370,865
Building-Palm Avenue	4,730,008	-	-	4,730,008
Building-FRC Temple Terrace	1,063,327	-	-	1,063,327
Building-FRC Plant City	530,000	1,451,494	-	1,981,494
Improvements	170,710	7,994	-	178,704
Construction-in-Progress	31,345	-	(31,345)	-
Improvements other than building	414,711	-	-	414,711
Office Equipment	5,880	-	-	5,880
Office Furniture	39,806	-	-	39,806
Computer Equipment	11,151	-	-	11,151
	9,925,527	1,459,488	(31,345)	11,353,670
Less, accumulated depreciation:				
Right-to-use lease assets	-	261,747	-	261,747
Building-Palm Avenue	2,588,365	157,667	-	2,746,032
Building-FRC Temple Terrace	39,875	53,166	-	93,041
Building-FRC Plant City	-	33,024	-	33,024
Improvements	91,752	19,778	-	111,530
Improvements other than building	414,711	-	-	414,711
Office Equipment	5,880	-	-	5,880
Office Furniture	39,806	-	-	39,806
Computer Equipment	11,151	-	-	11,151
	3,191,540	525,382	-	3,716,922
Capital Assets, Net	\$ 6,733,987	\$ 934,106	\$ (31,345)	\$ 7,636,748

Depreciation expense during the years ended September 30, 2022 and 2021 was \$330,085 and \$263,635, respectively. These amounts are included in unallocated depreciation expense in the accompanying Government-wide statements of activities.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 5: LONG-TERM LIABILITIES

Long-term liability activity for the years ended September 30, 2022 and 2021, were as follows:

	Balance 9/30/2021	Additions	Reductions	Balance 9/30/2022	Due within One year
Compensated absences	\$ 327,011	\$ 243,943	\$ (249,477)	\$ 321,477	\$ 27,498
Lease liability	1,126,429	-	(255,074)	871,355	253,984
Net pension liability	1,450,960	1,957,930	-	3,408,890	-
	<u>\$ 2,904,400</u>	<u>\$ 2,201,873</u>	<u>\$ (504,551)</u>	<u>\$ 4,601,722</u>	<u>\$ 281,482</u>

	Balance 9/30/2020	Additions	Reductions	Balance 9/30/2021	Due within One year
Compensated absences	\$ 305,072	\$ 188,525	\$ (166,586)	\$ 327,011	\$ 6,899
Lease liability	1,370,865	-	(244,436)	1,126,429	255,074
Net pension liability	3,512,575	-	(2,061,615)	1,450,960	-
	<u>\$ 3,817,647</u>	<u>\$ 188,525</u>	<u>\$ (2,228,201)</u>	<u>\$ 1,777,971</u>	<u>\$ 6,899</u>

Note 6: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS

Defined Benefit Plans

The Children's Board participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 6: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS (Continued)

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2022 and 2021, were as follows:

	2022		2021	
	FRS	HIS	FRS	HIS
Regular class	10.25%	1.66%	9.16%	1.66%
Special risk class	26.17%	1.66%	24.23%	1.66%
Senior management services class	29.91%	1.66%	27.35%	1.66%
City, county, special district elected officers	55.34%	1.66%	49.76%	1.66%
DROP	16.94%	1.66%	16.68%	1.66%

The employer's contributions for the year ended September 30, 2022, were \$316,555 to the FRS Pension Plan and \$55,181 to the HIS Program.

The employer's contributions for the year ended September 30, 2021, were \$242,966 to the FRS Pension Plan and \$47,563 to the HIS Program.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 6: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS (Continued)

Pension Liabilities and Pension Expense

In its financial statements for the years ended September 30, 2022 and 2021, the Children's Board reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2022 and 2021. The Children's Board's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

<u>Year ended September 30, 2022</u>	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Net pension liability	\$ 2,507,805	\$ 901,085	\$ 3,408,890
Proportion at:			
Current measurement date	0.006739953%	0.008507546%	
Prior measurement date	0.006161139%	0.008034531%	
Pension expense (benefit)	\$ 411,057	\$ 69,842	\$ 480,899
<u>Year ended September 30, 2021</u>	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Net pension liability	\$ 465,404	\$ 985,556	\$ 1,450,960
Proportion at:			
Current measurement date	0.006161139%	0.008034531%	
Prior measurement date	0.005763886%	0.008308235%	
Pension expense (benefit)	\$ 29,396	\$ 80,040	\$ 109,436

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 6: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS (Continued)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2022, the Children's Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 119,106	\$ -	\$ 27,350	\$ 3,965
Change of assumptions	308,847	-	51,651	139,397
Net differences between projected and actual earnings on pension plan investments	165,590		1,305	-
Changes in proportion and differences between Children's Board contributions and proportionate share of contributions	224,211	5,559	84,058	25,999
Children's Board contributions subsequent to the measurement date	90,129	-	14,795	-
Total	\$ 907,883	\$ 5,559	\$ 179,159	\$ 169,361

At September 30, 2021, the Children's Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 79,771	\$ -	\$ 32,979	\$ 413
Change of assumptions	318,453	-	77,443	40,607
Net differences between projected and actual earnings on pension plan investments	-	1,623,678	1,027	-
Changes in proportion and differences between Children's Board contributions and proportionate share of contributions	128,612	9,911	60,474	33,066
Children's Board contributions subsequent to the measurement date	61,180	-	11,092	-
Total	\$ 588,016	\$ 1,633,589	\$ 183,015	\$ 74,086

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2023.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 6: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS (Continued)

Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended September 30:	FRS	HIS
2023	\$ 198,098	\$ 2,007
2024	107,507	2,759
2025	3,705	7,844
2026	465,890	(295)
2027	36,994	(11,959)
Thereafter	-	(5,351)
Totals	\$ 812,194	\$ (4,995)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2022 for the year ended September 30, 2022. The total pension liability for both the FRS Pension Plan and for the HIS Program were determined by actuarial valuations dated July 1, 2022. The individual entry age actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increase	3.25%	3.25%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.54%

Mortality assumptions for both plans were based on the PUB-2010 base tables projected generationally with Scale MP-2018.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2022 were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 6: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS (Continued)

Actuarial Assumptions (Continued)

The following changes in key actuarial assumptions occurred in 2022:

FRS:

- The investment return assumption for purposes of developing actuarially calculated contribution rates decreased from 6.80% to 6.70%

HIS:

- The long-term expected rate of return and the discount rate used to determine the total pension liability increased from 2.16% to 3.54%

The long-term expected investment rate of return for the FRS Pension Plan was not based on historical returns, but instead was based on a forward-looking capital market economic model developed during 2022 by an outside investment consultant to the Florida State Board of Administration. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption of 2.40%.

For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

Asset Class	Target Allocation*	Annual Arithmetic Return	Compunt Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.60%	2.60%	1.10%
Fixed Income	19.80%	4.40%	4.40%	3.20%
Global Equity	54.00%	8.80%	7.30%	17.80%
Real Estate (Property)	10.30%	7.40%	6.30%	15.70%
Private Equity	11.10%	12.00%	8.90%	26.30%
Strategic Investment	3.80%	6.20%	5.90%	7.80%
Total	100.00%			

The total pension liability for each of the defined benefit plans was measured as of June 30, 2021 or the year ended September 30, 2021. The total pension liability for both the FRS Pension Plan and for the HIS Program were determined by actuarial valuations dated July 1, 2021.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 6: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS (Continued)

Actuarial Assumptions (Continued)

The individual entry age actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increase	3.25%	3.25%
Investment rate of return	6.80%	N/A
Discount rate	6.80%	2.16%

Mortality assumptions for both plans were based on the Generational RP-2010 with Projection Scale MP-2018.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2021 were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2021:

FRS:

- The maximum amortization period decreased to 20 years for all current and future amortization bases.

HIS:

- The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 2.21% to 2.16%

The long-term expected investment rate of return for the FRS Pension Plan was not based on historical returns, but instead was based on a forward-looking capital market economic model developed during 2020 by an outside investment consultant to the Florida State Board of Administration. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption of 2.40%.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 6: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS (Continued)

Actuarial Assumptions (Continued)

For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

Asset Class	Target Allocation*	Annual Arithmetic Return	Compunt Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.10%	2.10%	1.10%
Fixed Income	20.00%	3.80%	3.70%	3.30%
Global Equity	54.20%	8.20%	6.70%	17.80%
Real Estate (Property)	10.30%	7.10%	6.20%	13.80%
Private Equity	10.80%	11.70%	8.50%	26.40%
Strategic Investment	3.70%	5.70%	5.40%	8.40%
Total	100.00%			

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis and the depletion date is considered to be immediate, a municipal bond rate of 3.54% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Year Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability for September 30, 2022 to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

**Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021**

Note 6: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS (Continued)

Sensitivity Analysis (Continued)

	FRS			HIS		
	Current Discount			Current Discount		
	1% Decrease	Rate	1% Increase	1% Decrease	Rate	1% Increase
	5.70%	6.70%	7.70%	2.54%	3.54%	4.54%
Employer's proportionate share of the net pension liability	\$ 4,337,075	\$ 2,507,805	\$ 978,316	\$ 1,030,915	\$ 901,085	\$ 793,653

The following tables demonstrate the sensitivity of the net pension liability for September 30, 2021 to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	Current Discount			Current Discount		
	1% Decrease	Rate	1% Increase	1% Decrease	Rate	1% Increase
	5.80%	6.80%	7.80%	1.16%	2.16%	3.16%
Employer's proportionate share of the net pension liability	\$ 2,081,318	\$ 465,404	\$ (885,319)	\$ 1,139,398	\$ 985,556	\$ 859,517

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the years ended September 30, 2022 and 2021 was, \$41,953 and \$30,276, respectively.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 6: EMPLOYEE DEFERRED COMPENSATION AND RETIREMENT PLANS (Continued)

Deferred Compensation Plan

The Children's Board offers its permanent employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The International City Managers Association (ICMA) administers the plan. The Plan is available to all permanent employees, which allows a deferral of a portion of their wages until future years. The Children's Board contributes 1.5% of compensation. A distribution from the deferred compensation plan to an employee is allowed at termination of employment, retirement, death, or under certain emergencies. Vesting is simultaneous with the contribution. Employees are allowed to contribute on a pre-tax basis not to exceed amounts dictated by U.S. Treasury Regulations. Employer contributions during the years ended September 30, 2022 and 2021 was \$47,961 and \$43,173, respectively.

Post-Employment Benefits Other Than Pensions

The Children's Board participates in Hillsborough County, Florida's health system (Health Plan) which provides for a postemployment health benefit subsidy. The subsidy is funded by a \$25 per employee per month employer contribution during active service. The Children's Board implemented GASB Statement 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" for FY 2018. The OPEB liability and/or revenue and expense associated with the Children's Board's participation in the Health Plan along with the related disclosures and required supplementary information are not considered material to the Children's Board financial statements. For FY 2021-2022, the Children's Board's funding to the Health Plan related to the subsidy was \$9,975. The Health Plan does not issue separate financials statements. Refer to the Hillsborough County, Florida's financial statements for more information on the Health Plan.

Note 7: LEASES

The Children's Board of Hillsborough County has entered into a lease agreement to obtain the right-to-use building space to operate its Brandon Family Resource Center. The total annual rental for the building space that the Children's Board paid for the fiscal year ended September 30, 2022 was \$65,680. The lease is non-cancelable through September 30, 2025. The payments for each renewal term escalate by between 4% and 5%, according to the terms of the lease. The monthly payment amount is \$5,765.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 7: LEASES (Continued)

The following is a schedule of minimum future lease payments from the lease agreement as of September 30:

Brandon FRC	Principal Payments		Interest Expense		Total
2023	\$	64,730	\$	4,455	\$ 69,185
2024		69,167		2,786	71,953
2025		73,827		1,004	74,831
Total	\$	207,724	\$	8,245	\$ 215,969

The Children's Board of Hillsborough County has entered into a lease agreement to obtain the right-to-use building space to operate its North Tampa Family Resource Center. The total annual rental for the building space that the Children's Board paid for the fiscal year ended September 30, 2022 was \$78,801. The lease is non-cancelable through May 31, 2026. At June 1, 2022, the lease establishes a minimum monthly payment amount of \$5,371, with payments escalating by 3% at the beginning of each renewal term.

The following is a schedule of minimum future lease payments from the lease agreement as of September 30:

North Tampa FRC	Principal Payments		Interest Expense		Total
2023	\$	59,857	\$	5,240	\$ 65,097
2024		63,346		3,704	67,050
2025		66,983		2,079	69,062
2026		46,516		437	46,953
Total	\$	236,702	\$	11,460	\$ 248,162

The Children's Board of Hillsborough County has entered into a lease agreement to obtain the right-to-use building space to operate its Town 'n Country Family Resource Center. The total annual rental for the building space that the Children's Board paid for the fiscal year ended September 30, 2022 was \$64,475. The lease is non-cancelable through November 30, 2026. At December 1, 2021, the lease establishes a monthly payment amount of \$5,399, with payments escalating by 3% at the beginning of each renewal term.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 7: LEASES (Continued)

The following is a schedule of minimum future lease payments from the lease agreement as of September 30:

Town 'n Country FRC	Principal Payments		Interest Expense		Total
2023	\$	60,222	\$	6,187	\$ 66,409
2024		63,760		4,642	68,402
2025		67,448		3,006	70,454
2026		71,291		1,276	72,567
2027		12,116		38	12,154
Total	\$	274,837	\$	15,149	\$ 289,986

The Children's Board of Hillsborough County has entered into a lease agreement to obtain the right-to-use building space to operate its South County Family Resource Center. The total annual rental for the building space that the Children's Board paid for the fiscal year ended September 30, 2022 was \$71,321. The lease is non-cancelable through November 30, 2024. At December 1, 2021, the lease establishes a monthly payment amount of \$5,929; at March 1, 2022, the lease establishes a monthly payment amount of \$6,016, which becomes the minimum monthly payment amount through the end of the lease term. The following is a schedule of minimum future lease payments from the lease agreement as of September 30:

South County FRC	Principal Payments		Interest Expense		Total
2023	\$	69,174	\$	3,013	\$ 72,188
2024		70,924		1,264	72,188
2025		11,994		37	12,031
Total	\$	152,092	\$	4,314	\$ 156,407

Note 8: ENCUMBRANCES

Encumbrance accounting is employed in governmental funds. There were no encumbrances from fiscal year 2021-2022 to FY 2022-2023 or from fiscal year 2020-2021 to FY 2021-2022.

Children's Board of Hillsborough County
Notes to Financial Statements
September 30, 2022 and 2021

Note 9: CHILDREN'S BOARD FOUNDATION

The Children's Board of Hillsborough County entered into a Memorandum of Understanding (MOU) with the Children's Board Foundation, Inc. (CBF) for the purpose of assisting the Children's Board mission.

The purpose of this understanding is to ensure coordinated efforts to plan, provide, and support activities for children, families and service providers in Hillsborough County. The Foundation and the Children's Board support the promotion of health, well-being and development of all children in Hillsborough County.

This Agreement shall be effective from the date first set out and shall continue until terminated by either party. Either party may terminate this Agreement upon written notice to the other party specifying the date of termination which may be upon mailing of such notice.

The CBF meets the component unit test of GASB 14 as amended by GASB 61 for fiscal years ended September 30, 2022 and 2021. However, materiality and significance, as applied to CBF, was defined to be excluded from the consolidated financial statement presentation of the Children's Board.

Note 10: RISK MANAGEMENT

The Children's Board is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; natural disasters and worker's compensation claims. These risks are covered by property and casualty insurance purchased from an independent third party. Settled claims from these risks have not exceeded the Children's Board's property and casualty coverage for the past three fiscal years.



REQUIRED SUPPLEMENTARY INFORMATION



Children's Board of Hillsborough County
Schedule of the Children's Board Proportionate Share of the Net Pension Liability
Florida Retirement System Pension Plan
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Children's Board proportion of the net pension liability (asset)	0.00674%	0.00616%	0.00576%	0.00577%	0.00563%	0.00576%	0.00542%	0.00549%	0.00542%
Children's Board proportionate share of the net pension liability (asset)	\$ 2,507,805	\$ 465,404	\$ 2,498,153	\$ 1,986,847	\$ 1,696,530	\$ 1,703,114	\$ 1,367,514	\$ 708,772	\$ 330,913
Children's Board covered payroll	\$ 3,328,169	\$ 2,865,291	\$ 2,833,278	\$ 2,705,199	\$ 2,526,177	\$ 2,517,807	\$ 2,304,347	\$ 2,095,744	\$ 2,015,719
Children's Board proportionate share of the net pension liability (asset) as a percentage of its covered payroll	75.35%	16.24%	88.17%	73.45%	67.16%	67.67%	59.34%	33.82%	16.42%
Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

The amounts presented for each fiscal year were determined as of June 30th.

* This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Children's Board of Hillsborough County
Schedule of the Children's Board Contributions
Florida Retirement System Pension Plan
Last Ten Fiscal Years**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 316,555	\$ 242,966	\$ 197,629	\$ 215,726	\$ 198,256	\$ 186,117	\$ 169,522	\$ 167,520	\$ 157,450
Contributions in relation to the contractually required contribution	(316,555)	(242,966)	(197,629)	(215,726)	(198,256)	(186,117)	(169,522)	(167,520)	(157,450)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Children's Board covered payroll	\$ 3,328,169	\$ 2,865,291	\$ 2,833,278	\$ 2,705,199	\$ 2,526,177	\$ 2,517,807	\$ 2,304,347	\$ 2,095,744	\$ 2,015,719
Contributions as a percentage of covered payroll	9.51%	8.48%	6.98%	7.97%	7.85%	7.39%	7.36%	7.99%	7.81%

The amounts presented for each fiscal year were determined as of June 30th.

* This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Notes to required supplementary information:

Changes of assumptions: During the plan year ended June 30, 2022, the investment return assumption for purposes of developing actuarially calculated contribution rates decreased from 6.80% to 6.70%

Children's Board of Hillsborough County
Schedule of the Children's Board Proportionate Share of the Net Pension Liability
Florida Retirement System Health Insurance Subsidy
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Children's Board proportion of the net pension liability (asset)	0.00851%	0.00803%	0.00809%	0.00809%	0.00773%	0.00790%	0.00746%	0.00691%	0.00678%
Children's Board proportionate share of the net pension liability (asset)	\$ 901,085	\$ 985,556	\$ 1,014,422	\$ 905,039	\$ 818,614	\$ 844,604	\$ 869,953	\$ 704,494	\$ 634,350
Children's Board covered payroll	\$ 3,328,169	\$ 2,865,291	\$ 2,833,278	\$ 2,705,199	\$ 2,526,177	\$ 2,517,807	\$ 2,304,347	\$ 2,095,744	\$ 2,015,719
Children's Board proportionate share of the net pension liability (asset) as a percentage of its covered payroll	27.07%	34.40%	35.80%	33.46%	32.41%	33.55%	37.75%	33.62%	31.47%
Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

The amounts presented for each fiscal year were determined as of June 30th.

* This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Children's Board of Hillsborough County
Schedule of the Children's Board Contributions
Florida Retirement System Health Insurance Subsidy
Last Ten Fiscal Years**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 55,181	\$ 47,563	\$ 47,041	\$ 44,906	\$ 41,935	\$ 41,796	\$ 38,252	\$ 26,406	\$ 24,189
Contributions in relation to the contractually required contribution	(55,181)	(47,563)	(47,041)	(44,906)	(41,935)	(41,796)	(38,252)	(26,406)	(24,189)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Children's Board covered payroll	\$ 3,328,169	\$ 2,865,291	\$ 2,833,278	\$ 2,705,199	\$ 2,526,177	\$ 2,517,807	\$ 2,304,347	\$ 2,095,744	\$ 2,015,719
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.26%	1.20%

The amounts presented for each fiscal year were determined as of June 30th.

* This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Notes to required supplementary information:

Changes of assumptions: During the plan year ended June 30, 2021, the long-term expected rate of return and the discount rate used to determine the total pension liability increased from 2.16% to 3.54%.

Children's Board of Hillsborough County
Schedules of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual - Government Fund
Years ended September 30, 2022 and 2021

	2022				2021			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:								
Ad Valorem Taxes	\$ 53,833,708	\$ 53,833,708	\$ 54,608,379	\$ 774,671	\$ 49,762,422	\$ 49,762,422	\$ 50,364,885	\$ 602,463
Investment Income	66,000	66,000	639,715	573,715	231,000	231,000	96,355	(134,645)
Administrative Services Organization	1,405,000	1,405,000	931,987	(473,013)	1,410,000	1,410,000	944,864	(465,136)
Other Community Partner Funding	410,000	410,000	387,183	(22,817)	410,000	410,000	286,757	(123,243)
Miscellaneous Income	168,000	168,000	149,695	(18,305)	156,000	156,000	191,398	35,398
Total Revenues	55,882,708	55,882,708	56,716,959	834,251	51,969,422	51,969,422	51,884,259	(85,163)
Expenditures:								
Program								
Continuation and New Funding	46,575,024	46,575,024	33,576,423	12,998,601	44,272,604	44,272,604	32,501,077	11,771,527
Operating								
Employee Salaries and Benefits	5,141,710	5,141,710	4,591,296	550,414	4,529,438	4,529,438	4,048,783	480,655
Contracted Professional Services	611,635	611,635	346,197	265,438	377,433	377,433	347,871	29,562
Facility Expenditures	461,993	461,993	146,131	315,862	340,755	340,755	32,954	307,801
CBHC FRC Occupancy Expenditures	430,858	430,858	438,097	(7,239)	414,540	414,540	418,397	(3,857)
Other Operating	510,129	510,129	428,198	81,931	441,081	441,081	261,935	179,146
Total Operating	7,156,325	7,156,325	5,949,919	1,206,406	6,103,247	6,103,247	5,109,940	993,307
Non-Operating								
Capital Expenditures	1,500,000	1,500,000	-	1,500,000	1,431,000	1,431,000	1,428,143	2,857
Local Government Fees	1,554,993	1,554,993	1,431,193	123,800	1,436,553	1,436,553	1,327,320	109,233
Total Non-Operating	3,054,993	3,054,993	1,431,193	1,623,800	2,867,553	2,867,553	2,755,463	112,090
Debt Service								
Principal	-	-	255,074	(255,074)	-	-	244,436	(244,436)
Interest	-	-	25,202	(25,202)	-	-	28,597	(28,597)
Total Debt Service	-	-	280,276	(280,276)	-	-	273,033	(273,033)
Total Expenditures	56,786,342	56,786,342	41,237,811	15,548,531	53,243,404	53,243,404	40,639,513	12,603,891
Excess (Expenditures) over Revenues	(903,634)	(903,634)	15,479,148	(14,714,280)	(1,273,982)	(1,273,982)	11,244,746	(12,689,054)
Fund Balance, Beginning of Year	51,892,574	51,892,574	51,892,574	-	40,647,828	40,647,828	40,647,828	-
Fund Balance, End of Year	\$ 50,988,940	\$ 50,988,940	\$ 67,371,722	\$ 16,382,782	\$ 39,373,846	\$ 39,373,846	\$ 51,892,574	\$ 12,518,728



COMPLIANCE INFORMATION



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

Board Members
Children's Board of Hillsborough County
Tampa, 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 Board of Hillsborough County (the Children's Board), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Children's Board basic financial statements, and have issued our report thereon dated March 9, 2023.

Report on Internal Control over Financial Reporting

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

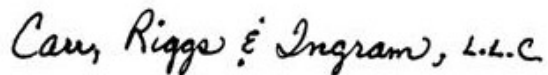
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Children’s Board 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.



CARR, RIGGS & INGRAM, LLC

Tampa, Florida
March 9, 2023

MANAGEMENT LETTER

Board Members
Children's Board of Hillsborough County
Tampa, Florida

Report on the Financial Statements

We have audited the financial statements of the Children's Board of Hillsborough County (the Children's Board), as of and for the year ended September 30, 2022, and have issued our report thereon dated March 9, 2023.

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; 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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C 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 9, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Children's Board of Hillsborough County was established as described in Footnote One. The Children's Board included the following component units: the Children's Board Foundation, Inc. which is disclosed in footnote seven.

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 Children's Board met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition met. In connection with our audit, we determined that the Children's Board 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 Children's Board. It is management's responsibility to monitor the Children's Board financial condition, and our financial condition assessment was based in part on representations made by management and 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 Children's Board of Hillsborough County reported:

- a) The total number of district employees compensated in the last pay period of the district's fiscal year as 43.
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 35.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$3,358,291.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$663,982.
- e) Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures. No such projects took place on or after October 1, 2021.

- f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$-0-.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Children’s Board of Hillsborough County reported:

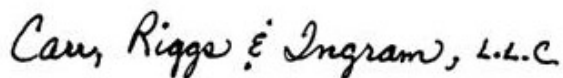
- a) The millage rate or rates imposed by the district as .4589.
- b) The total amount of ad valorem taxes collected by or on behalf of the district as \$54,608,379.
- c) The total amount of outstanding bonds issued by the district and the terms of such bonds as \$-0-.

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



CARR, RIGGS & INGRAM, LLC

Tampa, Florida
March 9, 2023

INDEPENDENT ACCOUNTANTS' REPORT

Board Members
Children's Board of Hillsborough County
Tampa, Florida

We have examined the Children's Board of Hillsborough County (the Children's Board) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022. Management is responsible for the Children's Board compliance with those requirements. Our responsibility is to express an opinion on the Children's Board compliance based on our examination.

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

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

In our opinion, the Children's Board complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022.

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tampa, Florida
March 9, 2023