

Financial Statements and
Supplementary Information

Florida Commission on Community Service

*Year ended June 30, 2021
with Report of Independent Auditors*

Florida Commission on Community Service

Financial Statements and
Supplementary Information

Year ended June 30, 2021

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Report of Independent Auditors

Board of Commissioners
Florida Commission on Community Service

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of the Florida Commission on Community Service (the Commission), a component unit of the State of Florida, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of the Commission as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The financial statements of the Florida Commission on Community Service as of and for the year ended June 30, 2020, were audited by other auditors whose report dated December 18, 2020, expressed an unmodified opinion on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenues, expenditures, and changes in fund balance – budget and actual governmental fund, schedule of proportionate share of net pension liability – Florida Retirement System, schedule of contributions – Florida Retirement System, schedule of proportionate share of net pension liability – Retiree Health Insurance Subsidy program, and schedule of contributions – Retiree Health Insurance Subsidy program, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The schedule of expenditures of federal awards and the schedule of findings and questioned costs are presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2021 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
October 20, 2021

Florida Commission on Community Service

Management's Discussion and Analysis

In accordance with Section 14.29(2) Florida Statutes, the Florida Commission on Community Service (the Commission) is administratively housed within the Executive Office of the Governor and independently exercises the responsibilities required to comply with the Florida Volunteer and Community Service Act of 2001, the National and Community Service Trust Act of 1993 (Federal Law), and other provisions of state law.

Expenditures for the year totaled \$18,520,976 consisting of \$15,654,292 (85%) in sub-grants to 41 Florida sub-grantees and matching expenditures, \$1,910,089 (10%) in personnel costs, and \$956,595 (5%) in capital and operating expenses.

The Commission provided oversight, administrative support, and pass-through grant funding for these sub-grantees, which include nonprofit organizations, governmental entities and local municipalities and organizations. During the audit period each sub-grantee entered into a standard contract with the Commission requiring compliance with State and Federal laws as well as meeting all applicable grant requirements.

Over the course of the 2020 - 2021 fiscal year, these sub-grantee organizations used their sub-grants and other resources to support 1,500 AmeriCorps members who provided approximately 1.6 million hours of service across Florida, valued at roughly \$38 million. The Commission's AmeriCorps members providing education-focused programs served approximately 44,000 students in 325 Florida schools. The Commission's AmeriCorps members were eligible for \$6.8 million in college scholarships as a result of their service.

During the 2018-2019 fiscal year, The Commission was awarded a Department of Homeland Security grant for the Disaster Case Management Program (DCMP) to serve 12 Florida Counties within the Federally declared disaster area (DR-4399-FL Michael). In the current year, the grant had expenditures of \$2,153,927 of which \$1,958,553 were sub-granted to two non-profit organizations providing services for 1,700 Florida residents with recovery needs from Hurricane Michael to-date. Disaster Case Management provides Floridians with local knowledge and resources to effectively leverage community recovery funding in order to speed the recovery process for those most in need.

For the 2020-2021 and 2021-2022 contract years, AmeriCorps issued a blanket match waiver under 42 U.S.C. §12571 (e) (4), consistent with 45 CFR 2521.70 and as referenced in CNCS Covid-19, FAQ #24. As a result of this waiver, the Commission saw a decrease in match revenue and related expense from sub-grantees in the current year and expects to see a significant decrease next year as well.

Florida Commission on Community Service

Management's Discussion and Analysis (continued)

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Also included in this discussion and analysis is supplementary information intended to provide additional detail to support these financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Commission's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

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

The government-wide financial statements include not only the Commission itself (known as the *primary government*), but also a legally separate Foundation for which the Commission is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found in this report as noted in the table of contents.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Commission has one fund category - the governmental fund.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements.

Florida Commission on Community Service

Management's Discussion and Analysis (continued)

By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The Commission maintains one (1) individual governmental fund, the special revenue fund. The basic governmental fund financial statements can be found in this report as noted in the table of contents.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in this report as noted in the table of contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Commission's budgetary information and defined benefit plans. Required supplementary information can be found in this report as noted in the table of contents.

The following table presents the Commission's condensed Statements of Net Position as of June 30, 2021 and 2020:

	2021	2020
Current and other assets	\$ 1,794,394	\$ 3,800,548
Capital assets	106,207	-
Total assets	1,900,601	3,800,548
Deferred outflows	1,016,095	881,369
Total assets and deferred outflows	2,916,696	4,681,917
Current liabilities	1,508,024	3,566,429
Noncurrent liabilities	2,441,147	1,981,690
Total liabilities	3,949,171	5,548,119
Deferred inflows	7,016	137,354
Net position:		
Net investment in capital assets	106,207	-
Restricted	13,869	-
Unrestricted	(1,159,567)	(1,003,556)
Total net position	\$ (1,039,491)	\$ (1,003,556)

The following table presents the Commission's condensed Statements of Activities for the fiscal years ended June 30, 2021 and 2020:

Florida Commission on Community Service

Management's Discussion and Analysis (continued)

	2021	2020
Revenues		
Program revenues:		
Operating grants & contributions	\$ 18,484,773	\$ 33,614,802
Total program revenues	18,484,773	33,614,802
General revenues		
Investment earnings	268	39
Total general revenues	268	39
Total revenues	18,485,041	33,614,841
Program expenses		
General government	18,520,976	33,933,751
Total program expenses	18,520,976	33,933,751
Change in net position	\$ (35,935)	\$ (318,910)

Governmental Activities

Net position decreased by \$(35,935). Accounting for GASB 68 amounted to \$(137,728) of the decreases.

Financial Analysis of the Government's Funds

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Commission's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Commission's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Commission's governmental funds reported combined ending fund balances of \$189,404, a decrease of \$(4,414).

Capital Asset Activity

The Commission reported \$106,207 in capital asset activity for governmental activities as of June 30, 2021 versus \$0 as of June 30, 2020. Please refer to Note 5 in the Notes to the Financial Statements for additional information on capital assets.

Requests for Information

Questions concerning any of the information provided in this report or requests for additional information should be addressed to Jason Norris, Chief Financial Officer, The Florida Commission on Community Service.

Florida Commission on Community Service

Statement of Net Position

June 30, 2021

	<u>Governmental Activities</u>	<u>Component Unit</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 125,900	\$ 3,413,245
Accounts receivable	-	11,075
Grants receivable	1,521,893	-
Due from Foundation	49,635	-
Prepaid expenses	96,966	-
Other assets	-	12,615
Total current assets	<u>1,794,394</u>	<u>3,436,935</u>
Noncurrent assets:		
Capital assets:		
Depreciable (net)	106,207	1,175
Total noncurrent assets	<u>106,207</u>	<u>1,175</u>
Total assets	<u>1,900,601</u>	<u>3,438,110</u>
Deferred outflows related to pensions	<u>1,016,095</u>	-
Total assets and deferred outflows of resources	<u>\$ 2,916,696</u>	<u>\$ 3,438,110</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 1,404,427	\$ 1,407,217
Accrued liabilities	59,167	-
Due to Commission	-	49,635
Unearned revenue	44,430	-
Total current liabilities	<u>1,508,024</u>	<u>1,456,852</u>
Noncurrent liabilities:		
Accrued leave	135,303	-
Net pension liability	2,305,844	-
Total noncurrent liabilities	<u>2,441,147</u>	-
Total liabilities	<u>3,949,171</u>	<u>1,456,852</u>
Deferred inflows related to pensions	<u>7,016</u>	-
Net position		
Net investment in capital assets	106,207	1,175
Restricted	13,869	1,986,751
Unrestricted (deficit)	(1,159,567)	(6,668)
Total net position	<u>\$ (1,039,491)</u>	<u>\$ 1,981,258</u>

See accompanying notes.

Florida Commission on Community Service

Statement of Activities

For Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues	Net (Expenses) Revenues and Change in Net Position		
		Operating Grants and Contributions	Primary Governmental Activities	Component Unit	Total
Primary Government					
Governmental Activities:					
Program services	\$ 18,520,976	\$ 18,484,773	\$ (36,203)	\$ -	\$ (36,203)
Total governmental activities	<u>18,520,976</u>	<u>18,484,773</u>	<u>(36,203)</u>	<u>-</u>	<u>(36,203)</u>
Component unit:					
The Volunteer Florida Foundation, Inc.	16,631,926	8,874,939	-	(7,756,987)	(7,756,987)
Total business-type activities	<u>16,631,926</u>	<u>8,874,939</u>	<u>-</u>	<u>(7,756,987)</u>	<u>(7,756,987)</u>
General revenues:					
Unrestricted interest earnings			268	6,167	6,435
Total general revenues			<u>268</u>	<u>6,167</u>	<u>6,435</u>
Change in net position			(35,935)	(7,750,820)	(7,786,755)
Net position at beginning of year	-	-	(1,003,556)	9,732,078	8,728,522
Net position at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,039,491)</u>	<u>\$ 1,981,258</u>	<u>\$ 941,767</u>

See accompanying notes.

Florida Commission on Community Service

Balance Sheet – Governmental Fund

June 30, 2021

	<u>Special Revenue Fund</u>
Assets:	
Cash and cash equivalents	\$ 125,900
Grants receivable	1,521,893
Due from Foundation	49,635
Total assets	<u>\$ 1,697,428</u>
Liabilities:	
Accounts payable	\$ 1,404,427
Accrued liabilities	59,167
Unearned revenues	44,430
Total liabilities	<u>1,508,024</u>
Fund balance:	
Restricted for federal grants	13,869
Assigned for general government	175,535
Total fund balance	<u>189,404</u>
Total liabilities and fund balance	<u>\$ 1,697,428</u>

See accompanying notes.

Florida Commission on Community Service

Reconciliation of Balance Sheet – Governmental Fund
to the Statement of Net Position

June 30, 2021

Total fund balance – governmental fund	\$	189,404
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources, and therefore are not reported as assets in governmental funds.</p>		
Governmental capital assets	112,473	
Less accumulated depreciation	(6,266)	
		106,207
<p>Long term liabilities, including accrued leave, are not due and payable in the current period, and therefore, are not reported in the governmental funds.</p>		
Accrued leave	(135,303)	
Pension related deferred outflows	1,016,095	
Pension related deferred inflows	(7,016)	
Net pension liability	(2,305,844)	
		(1,432,068)
<p>Prepaid expenses, expenditures recorded that apply to a future period are reported as prepaid expenses in the Statement of Net Position.</p>		
		96,966
Net position of governmental activities		\$ (1,039,491)

See accompanying notes.

Florida Commission on Community Service

Statement of Revenues, Expenditures, and Changes in
Fund Balance – Governmental Fund

Year Ended June 30, 2021

	<u>Special Revenue Fund</u>
Revenues:	
Federal grants	\$ 17,094,096
Program matching contributions	166,486
State of Florida funds	1,224,191
Other income	268
Total revenues	<u>18,485,041</u>
Expenditures:	
Current:	
Volunteer program services:	
Sub-grantee transfers	15,487,806
Program matching expenditures	166,486
Personnel services	1,910,089
Operating expenses	812,601
Capital outlay	112,473
Total expenditures	<u>18,489,455</u>
Net change in fund balance	<u>(4,414)</u>
Fund balance at beginning of year	193,818
Fund balance at ending of year	<u><u>\$ 189,404</u></u>

See accompanying notes.

Florida Commission on Community Service

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Fund to the Statement of Activities

Year Ended June 30, 2021

Net change in fund balance - total governmental fund	\$	(4,414)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses.</p>		
Expenditures for capital assets	112,473	
Less current year depreciation	<u>(6,266)</u>	106,207
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.</p>		
Change in accrued leave liability	(8,518)	
Expenditures recorded under the purchases method that apply to a future period are reported as prepaid expenses in the Statement of Activities.	56,665	
Change in net pension liability	<u>(185,875)</u>	(137,728)
Change in net position of governmental activities	\$	(35,935)

See accompanying notes.

Florida Commission on Community Service

Notes to Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies

A. Reporting Entity

These financial statements are intended to present the financial position and results of operations of the Florida Commission on Community Service (the Commission). The Commission is a component unit of the state of Florida and is included in the state of Florida's annual financial report. The financial statements contained herein represent the financial transactions of only the Commission and its discretely presented component unit, Volunteer Florida Foundation, Inc. (the Foundation).

The Commission was established in 1994 by the Florida Legislature in response to the National and Community Service Trust Act of 1993. Section 14.29(2), Florida Statutes, specifies that the Commission shall be administratively housed within the Executive Office of the Governor (the EOG) and shall independently exercise the responsibilities required to comply with the Florida Volunteer and Community Service Act of 2001, the National and Community Service Trust Act of 1993, and other provisions of state law. The Commission grants funds to Florida AmeriCorps and National Service programs; encourages volunteerism for all citizens, including youth, seniors and individuals with disabilities; promotes volunteerism for disaster preparedness and response; and helps to strengthen and expand volunteer centers in Florida.

Pursuant to Section 14.29(9)(a), Florida Statutes, on May 5, 2010, the Commission established a direct-support organization, the Foundation, to receive, hold, and administer property and funds and to make expenditures to or for the benefit of the Commission programs.

The Commission is a governmental entity whose activities are accounted for in a special revenue fund.

Discretely Presented Component Unit

The component unit column in the governmental-wide financial statements includes the financial data of the Commission's component unit, the Foundation. Because of the nature of its relationship with the Commission, the Foundation is considered a component unit.

The financial data reported on the accompanying statements were derived from the Foundation's audited financial statements for the fiscal year ended June 30, 2021. These statements were audited under Florida Statute 215.981 as annual expenditures of the Foundation exceeded \$100,000 for the year ended June 30, 2021.

Florida Commission on Community Service

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities* are supported by taxes and intergovernmental revenues.

As a branch of government that does not levy taxes, the Commission is funded by appropriations of the Florida Legislature through the Florida Department of Education and Florida Division of Emergency Management. The Commission is also funded by indirect charges to its federally awarded grant programs funded through AmeriCorps. The government-wide financial statements present this activity as a special revenue fund.

Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds.

As discussed earlier, the government has one discretely presented component unit. The component unit is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's fund. The emphasis of fund financial statements is on major governmental funds. The Commission reports the following major governmental fund:

The *special revenue fund* is used to account for the proceeds of specific revenue sources (other than special assessments or expendable trusts) that are legally restricted to expenditures for specific purposes.

Florida Commission on Community Service

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

B. Measurement Focus and Basis of Accounting

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension liability, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Contributions and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within sixty (60) days of year-end). All other revenue items are to be considered measurable and available only when cash is received by the government.

C. Assets, Liabilities and Net Position

Cash and Cash Equivalents

The Commission's cash and cash equivalents are to be considered cash on hand, demand deposits and short-term investments with original maturities of three (3) months or less from the date of acquisition.

Florida Commission on Community Service

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities and Net Position (continued)

Grants Receivable and Payable

Grants receivable consist of amounts billed to the grantor for reimbursement of eligible expenditures as of June 30, 2021. The Commission believes all amounts are collectable and does not record an allowance for uncollectable amounts. Portions of the receivables are payable to sub-grantees for eligible grant expenditures.

Due from Foundation

These are activities between the Commission and the Foundation. Such amounts represent expenses paid by the Commission that are due from the Foundation at the end of the fiscal year.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods. For the fund financial statements the Commission utilizes the purchases method whereby the Commission recognizes the entire amount of the prepayment as an expenditure in the period that payment is made. For the government-wide financial statements the proportionate amount of expenses is recognized in each of the benefiting periods.

Capital Assets

The Commission has established a capitalization threshold of \$5,000 for property expected to benefit the operations of the organization for multiple years to be considered.

- A capital asset is defined as a unit of tangible property that has an economic useful life of more than twelve (12) months; and was acquired or produced for a cost of more than \$5,000, including acquisition and installation costs on the same invoice. Capital assets must be capitalized and depreciated for financial statement purposes.
- Capital assets include furniture and equipment.

Florida Commission on Community Service

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities and Net Position (continued)

Capital Assets (continued)

- Property purchased meeting the capital asset definition is added to the list of assets maintained by the Finance Department. This list is categorized by type of capital asset, i.e. buildings, furniture and equipment, plant assets, etc., and includes the asset number, date of installation, cost, shipping and installation fees, and life expectancy for depreciation purposes. A copy of the invoice(s) are maintained with these asset records until the asset is sold or deleted.
- The useful lives of capitalizable assets is estimated to be 5 years.

Unearned Revenue

Unearned revenue occurs when assets are recognized before revenue recognition criteria have been met.

Per contractual agreements with AmeriCorps, the Commission typically elects to retain 2% of the AmeriCorps Competitive and Formula grant funds paid to their sub-recipients. These funds are utilized for administrative costs of the Commission. Unearned revenue represents the total amount of these funds that have been drawn down but have not been expended for administrative costs incurred during the fiscal year.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

Deferred Outflows / Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

Florida Commission on Community Service

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities and Net Position (continued)

Deferred Outflows / Inflows of Resources (continued)

The Commission has one item that qualifies for reporting as deferred outflows of resources, the *deferred outflows related to pensions*, which is reported in the government-wide statement of net position. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years. Details on the composition of the deferred outflows related to pensions are further discussed in Note 2.

Deferred inflows of resources represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Commission has one item that qualifies for reporting as deferred inflows of resources.

The item reported as deferred inflows of resources is the *deferred inflows related to pensions* reported in the government-wide statement of net position. The deferred inflows related to pensions are an aggregate of items related to pensions calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years. Details on the composition of the deferred inflows related to pensions are further discussed in Note 2.

Pension / Net Pension Liability

In the government-wide financial statements, net pension liability represents the Commission's proportionate share of the net pension liability of the cost-sharing pension plans in which it participates. This proportionate amount represents a share of the present value of projected benefit payments to be provided through the cost-sharing pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the cost-sharing pension plan's fiduciary net position.

The Commission participates in both the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy Program (HIS) defined benefit plan administered by Florida Division of Retirement (collectively, FRS/HIS).

Florida Commission on Community Service

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities and Net Position (continued)

Pension / Net Pension Liability (continued)

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

Net Position/Fund Balance

Net position is the difference between fund assets and liabilities on the government-wide statement. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by any outstanding balance of bonds, mortgages, notes, or other debt resulting from the acquisition, construction, or improvement of assets.

The Commission has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. The Commission has reported the following fund balance components:

Restricted - This component of fund balance consists of amounts that are constrained either: a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or b) by law through constitutional provisions or enabling legislation.

Assigned - This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. In addition, residual balances in capital projects and debit service funds are considered assigned for the general purpose of the respective fund.

Florida Commission on Community Service

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities and Net Position (continued)

Net Position Flow Assumption

Sometimes the Commission will fund outlays for a particular purpose from both restricted (e.g., grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Commission's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Balance Flow Assumptions

Sometimes the Commission will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Commission's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance, and lastly unassigned fund balance is applied.

D. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

E. Subsequent Events

The Commission has evaluated subsequent events through October 20, 2021, the date the financial statements were available to be issued. During the period from June 30, 2021 to October 20, 2021, the Commission did not have any material recognizable subsequent events.

Florida Commission on Community Service

Notes to Financial Statements

2. Retirement Plan

The Commission participates in the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The FRS was established in 1970 by Chapter 121, Florida Statutes. In 2002 the FRS was amended to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code.

The Commission also participates in the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing, multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. The benefit is a monthly cash payment to assist retirees of state-administered retirement systems in paying their health insurance costs.

Additional Financial and Actuarial Information - Additional audited financial information supporting the Schedules of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the Florida Annual Comprehensive Financial Report (ACFR) and in the Florida Retirement System Pension Plan, and Other State-Administered Systems ACFR.

See <http://www.myfloridacfo.com/Division/AA/Reports/default.htm> for an available copy of the Florida ACFR online.

The FRS ACFR and actuarial valuation reports as of July 1, 2020 are available online at http://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports.

Reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
Division of Retirement
P.O. Box 9000
Tallahassee, Florida 32399-9000
850-907-6500 or toll free at 844-377-1888

FRS Membership and Plan Benefits - Essentially all regular employees of the Commission are eligible to enroll as member of the State administered Florida Retirement System (FRS). The FRS provides retirement, disability or death benefits to retirees or their designated beneficiaries along with an annual cost-of-living adjustment. Benefits are established by State Statutes. Retirement benefits are based on a formula comprised of age, average compensation, length of FRS service, and membership class. Average compensation is computed as the average of an individual's five highest years of earnings for employees hired before July 1, 2011 or eight highest years of earnings for employees hired on or after July 1, 2011. The amount of benefit payments is also affected by the retirement income option chosen by the plan participant.

Florida Commission on Community Service

Notes to Financial Statements

2. Retirement Plan (continued)

Pension plan participants may choose to receive benefits in retirement under one of four options which will include a 3% cost-of-living adjustment each July (adjustments are only applicable for FRS service earned prior to July 1, 2011).

If a pension plan participant leaves FRS-covered employment, the pension plan benefit is frozen until the employee returns to FRS-covered employment or begins receiving early or normal retirement benefit. Currently, the active participants in the pension plan for the Commission are 20 out of a total of 479,043 active FRS participants.

In addition to the above benefits, the FRS administers a Deferred Retirement Option Program ("DROP"). This program allows eligible employees to defer receipt of monthly retirement benefit payments while continuing employment with a Florida Retirement System employer for a period not to exceed 60 months after electing to participate. DROP benefits are held in the FRS Trust Fund and accrue interest.

Chapter 121, Florida Statutes, establishes the authority for benefit provisions and contribution requirements. Changes to the law can only occur through an act of the Florida Legislature. There are uniform contribution rates as discussed on the following page that cover the defined benefit plan.

HIS Membership and Plan Benefits - The HIS membership is available to all members within the FRS and defined contribution Investment Plan. The benefit is a monthly payment to assist retirees of the state administered retirement systems in paying their health insurance costs. 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. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Contribution Requirements - The Commission is required to contribute at an actuarially determined rate; these rates are a percent of annual covered payroll. Employees are required to contribute 3% of their annual salary, while members participating in DROP are not required to make the 3% contribution. The Commission's contractually required contribution rate includes the HIS contribution, .06% administrative and educational fee and any applicable unfunded actuarial liability "UAL" rates. The HIS required contribution rate is 1.66% for both the 2020 and 2019 FRS plan years. This contribution when combined with the employee contribution is expected to finance the cost of the benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Florida Commission on Community Service

Notes to Financial Statements

2. Retirement Plan (continued)

The amounts contributed for the years ended June 30, 2021, 2020, and 2019 were \$159,462, \$199,058, and \$182,485, respectively, which is equal to 100% of the required contribution for each year.

The membership categories and contribution rates for 2021 and 2020 were as follows:

Membership Category	Benefit	Vesting	Employer Contribution Rate	
			July 1, 2019	July 1, 2020
Regular Class	For employees in the FRS as of June 30, 2011, normal retirement at age 62 or at least 30 years of service: 1.60% times average compensation (five highest years) times years of creditable service. For employees joining the FRS on or after July 1, 2011, normal retirement at age 65, or at least 33 years of service: 1.6% times average compensation (eight highest years) times years of creditable service.	After six years creditable service. After eight years creditable service.	8.47%	10.00%
Senior Management Class	For employees in the FRS as of June 30, 2011, normal retirement at seven years and age 62: 2.00% times average compensation (five highest years) times years of creditable service.	After six years creditable service.	25.41%	27.29%
Special Risk (sworn employees)	For employees in the FRS as of June 30, 2011, normal retirement at age 55, or 25 years of special risk service: 2% to 3% times average compensation (five highest years) times years of creditable service.	After six years creditable service.	25.48%	24.45%
Deferred Retirement Option Program	For employees in DROP as of June 30, 2011, retirement benefit paid to DROP where it earns 6.5% interest, tax deferred, for up to five years while the member continues to work.	Available to vested members at normal retirement age or date.	14.60%	16.98%

Florida Commission on Community Service

Notes to Financial Statements

2. Retirement Plan (continued)

Net pension liability, deferred outflows/inflows of resources and pension expense related to the Commission defined benefit pension plan

Net Pension Liability - At June 30, 2021, the Commission reported for its share proportionate of the FRS and HIS plans the amount for the net pension liability as shown below:

	FRS	HIS	Total
Total pension liability	\$ 8,124,936	\$ 605,493	\$ 8,730,429
Fiduciary net position	6,406,391	18,194	6,424,585
Net pension liability	\$ 1,718,545	\$ 587,299	\$ 2,305,844

The net pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated July 1, 2020 for the net pension liability as of June 30, 2021. "Plan fiduciary net position" represents cash and investment assets held to pay pension liabilities as they mature. "Net pension liability" represents the equity in the applicable pension plan. "Plan fiduciary net position" represents the portion of the total pension liability that is funded by cash and investments. Detailed information regarding the FRS Pension Plan and HIS Program fiduciary net position is available in the separately issued FRS *Pension Plan and Other State- Administered Systems Annual Comprehensive Financial Report*. To obtain this report, see contact information on page 22.

At June 30, 2021, the Commission reported for its proportionate share of the employer portion for the FRS and HIS net pension liability the percentages below:

	FRS	HIS
June 30, 2021	.003965129%	.004810044%
June 30, 2020	.003897237%	.004582637%
Increase (decrease) in Share for 2021	.000067892%	.000227407%

The Commission's proportionate share of the net pension liability was based on the Commission's 2019-2020 fiscal year contributions relative to the 2019-2020 fiscal year contributions of all participating members of FRS.

Actuarial Methods and Assumptions - Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2020 for the period

Florida Commission on Community Service

Notes to Financial Statements

2. Retirement Plan (continued)

July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.80%. The plans 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 uses a pay-as-you-go funding structure, a municipal bond rate of 2.21% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

The following changes in actuarial assumptions occurred in 2020:

- FRS: The long-term expected rate of return was decreased from 6.90% to 6.80%, and the active member mortality assumption was updated.
- HIS: The municipal rate used to determine total pension liability was decreased from 3.50% to 2.21%.

The actuarial assumptions that determined the total pension liability as of June 30, 2020, were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

Valuation date	July 1, 2019	July 1, 2020
Measurement date	June 30, 2019	June 30, 2020
Inflation	2.60%	2.40%
Salary increases including inflation	3.25%	3.25%
Mortality	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details in valuation report	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018; details in the valuation report
Actuarial cost method	Individual Entry Age	Individual Entry Age

Florida Commission on Community Service

Notes to Financial Statements

2. Retirement Plan (continued)

Investments - The long-term expected rate of return assumption of 6.80 percent consists of two building block components: 1) a real (in excess of inflation) return of 4.30 percent, consistent with the capital market outlook model developed during 2020 by the outside investment consultant to the Florida State Board of Administration; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2020 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 6.80 percent return assumption were determined to be reasonable and appropriate per the Actuarial Standards of Practice. The 6.80 percent reported investment return assumption differs from the 7.00 percent investment return assumption chosen by the 2020 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards.

For reference, the table below contains a summary of Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation ⁽¹⁾</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate (property)	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic investments	4.4%	5.5%	5.3%	6.9%
Total	<u>100%</u>			
Assumed Inflation – Mean			2.4%	1.7%

(1) As outlined in the FRS Pension Plan's investment policy available from Funds We Manage on the SBA’s website at www.sbafla.com.

Florida Commission on Community Service

Notes to Financial Statements

2. Retirement Plan (continued)

Sensitivity Analysis - the following tables present the sensitivity of the net pension liability to changes in the discount rate of 6.80%. The sensitivity analysis shows the impact to the Commission's net pension liability if the discount rate shows as 1.00% higher or 1.00% lower than the current discounted rate at June 30, 2020.

FRS Net Pension Liability		
1%Decrease	Current Discount Rate	1%Increase
5.80%	6.80%	7.80%
\$2,744,228	\$1,718,545	\$861,891

HIS Net Pension Liability		
1%Decrease	Current Discount Rate	1%Increase
1.21%	2.21%	3.21%
\$678,891	\$587,299	\$512,330

Pension Expense and Deferred Outflows/(Inflows) of Resources - In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Changes of assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Changes in proportion and differences between contributions and proportionate share of contributions which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Differences between expected and actual earnings on pension plan investments are amortized over five years.

Employer contributions to the pension plans from employers are not included in collective pension expense; however, employee contributions are used to reduce pension expense.

Florida Commission on Community Service

Notes to Financial Statements

2. Retirement Plan (continued)

For the fiscal year ended June 30, 2021 the total pension expense and deferred inflows and outflows related to the FRS and HIS plans were as follows:

	FRS	HIS	Total
Pension expense	\$ 417,904	\$ 68,476	\$ 486,380
Deferred outflows of resources	832,740	183,355	1,016,095
Deferred inflows of resources	(5,876)	(1,140)	(7,016)

For the fiscal year ended June 30, 2021, the Commission recognized pension expense of \$417,904 for the FRS plan. In addition, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources for the FRS Plan	Deferred Inflows of Resources for the FRS Plan
Differences between expected and actual experience	\$ 65,772	\$ —
Change of assumptions	311,111	—
Net difference between projected and actual earnings on FRS plan investments	102,324	—
Changes in proportion and differences between Commission FRS contributions and proportionate share of contributions	198,204	(5,876)
Commission FRS contributions subsequent to the measurement date	155,329	—
Total	\$ 832,740	\$ (5,876)

Florida Commission on Community Service

Notes to Financial Statements

2. Retirement Plan (continued)

The deferred outflows of resources related to the Pension Plan, totaling \$155,329 and resulting from Commission contributions to the Plan subsequent to the measurement date, will be recognized as a reduction to net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	<u>FRS Net Deferred Outflows</u>
2022	\$ 156,584
2023	213,303
2024	180,757
2025	99,068
2026	21,823
Thereafter	—
Total	<u>\$ 671,535</u>

For the fiscal year ended June 30, 2021, the Commission recognized pension expense of \$68,476 for the HIS plan. In addition, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources for the HIS Plan</u>	<u>Deferred Inflows of Resources for the HIS Plan</u>
Differences between expected and actual experience	\$ 23,571	\$ —
Change of assumptions	29,002	—
Net difference between projected and actual earnings on HIS plan investments	469	—
Changes in proportion and differences between Commission HIS contributions and proportionate share of contributions	104,584	(1,140)
Commission HIS contributions subsequent to the measurement date	<u>25,729</u>	<u>—</u>
Total	<u>\$ 183,355</u>	<u>\$ (1,140)</u>

Florida Commission on Community Service

Notes to Financial Statements

2. Retirement Plan (continued)

The deferred outflows of resources related to the HIS Plan, totaling \$25,729 resulting from Commission contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported by the Commission as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Year ended June 30,	HIS Net Deferred Outflows
2022	\$ 39,381
2023	33,730
2024	24,498
2025	23,623
2026	21,465
Thereafter	13,789
Total	\$ 156,486

3. Deposits

Custodial credit risk-deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Commission’s deposits may not be returned. At year end, the carrying amount of the Commission’s deposits was \$125,900 and the bank balance was \$133,520. As of June 30, 2021, the account is insured in full under Florida Statute Chapter 280, Florida Security for Public Deposits.

4. Long Term Obligations

It is the Commission’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay and sick pay are accrued when occurred in the government-wide statements. A liability for these amounts is reported in governmental funds only if they have matured, for example as a result of employee resignation and retirement.

Following is a summary of the changes in long term obligation for the year ending June 30, 2021:

Descriptions	Beginning balance June 30, 2020	Additions	Deletions	Ending balance June 30, 2021
Net pension liability	\$ 1,854,905	\$ 610,401	\$ (159,462)	\$ 2,305,844
Liability for accrued leave	126,785	8,518	–	135,303
Total governmental activity long term obligation	\$ 1,981,690	\$ 618,919	\$ (159,462)	\$ 2,441,147

Florida Commission on Community Service

Notes to Financial Statements

5. Capital Assets

Following is a summary of the changes in capital assets for the year ending June 30, 2021:

Descriptions	Beginning balance June 30, 2020	Additions	Deletions	Ending balance June 30, 2021
Equipment and furnishings	\$ —	\$ 112,473	\$ —	\$ 112,473
Total capital assets subject to depreciation	—	—	—	—
Accumulated depreciation	—	(6,266)	—	(6,266)
Total capital assets, net	\$ —	\$ 106,207	\$ —	\$ 106,207

6. Commitments and Contingencies

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by a grantor cannot be determined at this time although the Commission expects amounts, if any, to be immaterial.

7. Operating Leases

The Commission has one lease agreement for office space. This lease is accounted for as an operating lease. In governmental funds, lease payments are recorded as expenditures when paid and incurred. Rental expenditures for the year ended June 30, 2021 amounted to \$112,164.

Future minimum lease commitments are as follows:

Year Ended June 30,	
2022	\$ 117,851
2023	119,575
2024	121,507
2025	123,862
2026	74,308
Thereafter	—
Total	<u>\$ 557,103</u>

Florida Commission on Community Service

Notes to Financial Statements

8. Concentrations

The Commission receives a significant amount of its funding from AmeriCorps. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the Commission's programs and activities.

9. Budgetary Process

Pursuant to its Plan of Operation, the Commission adopts an annual operating budget and program work plan for each fiscal year. The program work plan shall clearly outline the annual objectives of the Commission relative to duties and responsibilities and provide an anticipated schedule for completion of those objectives. The budget and work plan serve as the basis for funding appropriated by the Florida Legislature. The budget is adopted on the modified accrual basis of accounting.

10. Risk Management

The Commission is exposed to various risks of loss associated with normal operations and has purchased insurance to mitigate such risks.

Other Required Supplementary Information

Florida Commission on Community Service
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Governmental Fund

Year ended June 30, 2021

	Governmental Fund			Variance with Final Budget Positive (Negative)
	Special Revenue			
	Budgeted Amounts		Actual	
Original	Final			
Revenues:				
Federal grants	\$ 22,103,621	\$ 22,103,621	\$ 17,094,096	\$ (5,009,525)
Program matching contributions	-	-	166,486	166,486
State of Florida funds	1,283,182	1,283,182	1,224,191	(58,991)
Other income	-	-	268	268
Total revenues	23,386,803	23,386,803	18,485,041	(4,901,762)
Expenditures:				
Current				
Volunteer program services:				
Sub-grantee transfers	19,962,556	19,962,556	15,487,806	4,474,750
Program matching expenditures	-	-	166,486	(166,486)
Personnel services	2,097,048	2,097,048	1,910,089	186,959
Operating expenses	1,327,199	1,327,199	812,601	514,598
Capital Outlay	-	-	112,473	(112,473)
Total expenditures	23,386,803	23,386,803	18,489,455	4,897,348
Excess of expenditures over revenues	\$ -	\$ -	(4,414)	\$ (4,414)
Fund balance at beginning of year			193,818	
Fund balance at end of year			\$ 189,404	

See report of independent auditors.

Florida Commission on Community Service

Required Supplementary Information

Schedule of Proportionate Share of Net Pension Liability –
Florida Retirement Systems (FRS)
Last 10 Fiscal Years
(Unaudited)

Commission Fiscal Year Ending June 30,	Plan Sponsor Measurement Date June 30,	Commission's Proportion of the FRS Net Pension Liability	Commission's Proportionate Share of the FRS Net Pension Liability	Commission's Covered Employee Payroll	Commission's Proportionate Share of the FRS Net Pension Liability as a Percentage of Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2021	2020	0.0040%	\$ 1,718,545	\$ 1,549,608	110.90%	78.85%
2020	2019	0.0039%	1,342,154	1,669,434	80.40%	82.61%
2019	2018	0.0038%	1,140,045	1,529,101	74.56%	84.26%
2018	2017	0.0025%	736,045	1,333,666	55.19%	83.89%
2017	2016	0.0017%	434,465	1,202,529	36.13%	84.88%
2016	2015	0.0019%	246,878	1,019,937	24.21%	92.00%
2015	2014	0.0018%	109,652	974,699	11.25%	96.09%
2014	2013	0.0021%	368,524	880,784	41.84%	88.54%

Notes:

1) The Commission implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014.

Schedule of Proportionate Share of Net Pension Liability –
Retiree Health Insurance Subsidy (HIS)
Last 10 Fiscal Years
(Unaudited)

Commission Fiscal Year Ending June 30,	Plan Sponsor Measurement Date June 30,	Commission's Proportion of the HIS Net Pension Liability	Commission's Proportionate Share of the HIS Net Pension Liability	Commission's Covered Employee Payroll	Commission's Proportionate Share of the HIS Net Pension Liability as a Percentage of Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2021	2020	0.0048%	\$ 587,299	\$ 1,549,608	37.90%	3.00%
2020	2019	0.0046%	512,751	1,669,434	30.71%	2.63%
2019	2018	0.0040%	427,662	1,529,101	27.97%	2.15%
2018	2017	0.0037%	398,883	1,333,666	29.91%	1.64%
2017	2016	0.0033%	385,054	1,202,529	32.02%	0.97%
2016	2015	0.0032%	331,394	1,019,937	32.49%	0.50%
2015	2014	0.0030%	275,823	974,699	28.30%	0.99%
2014	2013	0.0034%	297,864	880,784	33.82%	1.78%

Notes:

1) The Commission implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014.

See report of independent auditors.

Florida Commission on Community Service

Required Supplementary Information

Schedule of Contributions –
Florida Retirement Systems (FRS)
Last 10 Fiscal Years
(Unaudited)

Fiscal Year Ending June 30,	FRS Contractually Required Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	Commission's Covered Employee Payroll	FRS Contributions as a Percentage of Covered Payroll
2021	\$ 131,744	\$ 131,744	\$ -	\$ 1,549,608	8.50%
2020	159,767	159,767	-	1,669,434	9.57%
2019	143,194	143,194	-	1,529,101	9.36%
2018	131,687	131,687	-	1,333,666	9.87%
2017	82,505	82,505	-	1,202,529	6.86%
2016	57,116	57,116	-	1,019,937	5.60%
2015	61,370	61,370	-	974,699	6.30%
2014	54,178	54,178	-	880,784	6.15%

Notes:

1) The Commission implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014. Information for prior years is not available.

Schedule of Contributions –
Retiree Health Insurance Subsidy (HIS)
Last 10 Fiscal Years
(Unaudited)

Fiscal Year Ending June 30,	HIS Contractually Required Contribution	HIS Contributions in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	Commission's Covered Employee Payroll	HIS Contributions as a Percentage of Covered Payroll
2021	\$ 27,718	\$ 27,718	\$ -	\$ 1,549,608	1.79%
2020	39,291	39,291	-	1,669,434	2.35%
2019	36,346	36,346	-	1,529,101	2.38%
2018	34,920	34,920	-	1,333,666	2.62%
2017	23,412	23,412	-	1,202,529	1.95%
2016	16,931	16,931	-	1,019,937	1.66%
2015	12,281	12,281	-	974,699	1.26%
2014	10,569	10,569	-	880,784	1.20%

Notes:

1) The Commission implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014. Information for prior years is not available.

Notes to Required Supplementary Information

Pension Related Notes to Schedule

FRS: The Mortality assumption was changed from Generational RP-2000 with Projection Scale BB to PUB-2010 base table projected generationally with Scale MP-2018. The inflation rate assumption remained at 2.60%. Payroll growth, including inflation remained at 3.25%. The long-term expected rate of return decreased from 6.9% to 6.8%, and the active member mortality assumption was updated.

HIS: The municipal rate used to determine total pension liability was decreased from 3.5% to 2.21%.

See report of independent auditors.

Supplementary and Other Information

Report of Independent Auditors 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*

The Board of Commissioners
Florida Commission on Community Service

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, the discretely presented component unit, and the major fund of the Florida Commission on Community Service (the Commission), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 20, 2021.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
October 20, 2021

**Report of Independent Auditors on Compliance for the Major Federal Program;
Internal Control Over Compliance; and Schedule of Expenditures of Federal
Awards Required by the Uniform Guidance**

The Board of Commissioners
Florida Commission on Community Service

Report on Compliance for the Major Federal Program and State Project

We have audited the Florida Commission on Community Service (the Commission) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal program for the year ended June 30, 2021. The Commission's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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Opinion on the Major Federal Program

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Thomas Howell Ferguson P.A.

Tallahassee, Florida
October 20, 2021

Florida Commission on Community Service

Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

Grantor and Program Title	CFDA/CSFA Number	Contract Number	Expenditures	Transfers to Subrecipients
Corporation for National and Community Service:				
AmeriCorps - Competitive	94.006	18ACHFL001	\$ 6,159,613	\$ 6,094,990
AmeriCorps - Formula	94.006	18AFHFL001	5,028,733	5,000,063
AmeriCorps - Fixed	94.006	19FXHFL001	1,804,665	1,804,665
			<u>12,993,011</u>	<u>12,899,718</u>
State Commissions	94.003	19CAHFL001	771,476	-
Training and Technical Assistance	94.009	16TAHFL001	138,982	-
Commission Investment Fund	94.008	19TAHFL001	53,047	-
Volunteer Generation Fund	94.021	17VGHFL001	97,423	87,403
Volunteer Generation Fund	94.021	20VGHFL001	524,611	384,144
			<u>14,578,550</u>	<u>13,371,265</u>
Department of Homeland Security:				
Florida Division of Emergency Management	97.088	FEMA-4399-DR-FL	2,153,927	1,958,553
Disaster Assistance Projects	97.042	G0068	50,240	39,511
Disaster Assistance Projects	97.042	G0206	146,121	105,166
			<u>196,361</u>	<u>144,677</u>
			<u>2,350,288</u>	<u>2,103,230</u>
Total expenditures of federal awards			<u>\$ 16,928,838</u>	<u>\$ 15,474,495</u>

Note 1 - This Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal awards of Florida Commission on Community Service for the year ended June 30, 2021, and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Note 2 - Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for federal awards wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3 - The Commission has elected not to use the 10 percent de minimis cost rate allowed under the Uniform Guidance for federal awards.

See report of independent auditors.

Florida Commission on Community Service

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Section I -- Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Schedule of Findings and Questioned Costs Relating to Federal Awards

Federal Awards

Internal control over major programs:					
Material weakness(es) identified?	No				
Significant deficiency(ies) identified not considered to be material weaknesses?	No				
Type of auditor's report issued on compliance for major programs?	Unmodified				
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No				
Identification of major programs:	<table><tr><td><u>CFDA Number</u></td><td><u>Name of Federal Program</u></td></tr><tr><td>94.006</td><td>AmeriCorps</td></tr></table>	<u>CFDA Number</u>	<u>Name of Federal Program</u>	94.006	AmeriCorps
<u>CFDA Number</u>	<u>Name of Federal Program</u>				
94.006	AmeriCorps				
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000				
Auditee qualified as low-risk auditee?	No				

Section II -- Financial Statement Findings

We noted no matters that are required to be reported in accordance with *Government Auditing Standards*.

Section III -- Federal Awards Findings and Questioned Costs

We noted no matters that are required to be reported in accordance with 2 CFR 200.516(a).

See report of independent auditors.