

Financial Statements and
Supplementary Information

Florida Commission on Community Service

*Year ended June 30, 2025
with Report of Independent Auditors*



Florida Commission on Community Service

Financial Statements and
Supplementary Information

Year ended June 30, 2025

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Report of Independent Auditors

Board of Commissioners
Florida Commission on Community Service

Report on the Audit of the Financial Statements

Opinion

We have audited the 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, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of the Commission as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission 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 an opinion.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Commission's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the schedule of findings and questioned costs are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. 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.



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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2025 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, 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 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 Commission's internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
October 20, 2025

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 \$46,259,307 consisting of \$40,744,061 (88%) in sub-grants to 41, Florida sub-grantees and matching expenditures, \$1,955,019 (4%) in personnel costs, and \$3,560,227 (8%) 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 fiscal year, our AmeriCorps sub-grantee organizations supported approximately 1,800 AmeriCorps members who provided over a million hours of service across Florida. At the completion of their term of service, the Commission's AmeriCorps members will be eligible for approximately \$8.1 million in education awards used to pay for post-secondary educational expenses.

Our Community Emergency Response Teams (CERT) sub-grantees worked in their communities throughout the state to develop and strengthen collaboration and disaster resiliency and to expand partnerships through training and outreach opportunities. The Program's goal is to educate people about disaster preparedness for hazards that may impact their communities. Throughout the State of Florida, teams hosted 305 trainings with 4,223 residents of Florida trained in basic disaster response skills. In addition, teams hosted 161 Outreach Events reaching 10,384 community members. CERT volunteer hours from subgrantees totaled 27,665, representing a total value of \$891,969 for the fiscal year.

Through existing relationships with Voluntary Organizations Active in Disasters, local CERT teams were able to partner with and collaborate with Feeding Florida and The American Red Cross to expand services to local communities and support program gaps. Additional training in food bank operations and sheltering operations allow CERT volunteers to gain additional skills, but also offer needed support during disasters.

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 maybe 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:

	2025	2024
Current and other assets	\$ 8,920,817	\$ 9,248,179
Capital assets	145,096	237,329
Total assets	9,065,913	9,485,508
Deferred outflows	540,540	564,616
Total assets and deferred outflows	9,606,453	10,050,124
Current liabilities	8,688,745	9,097,896
Noncurrent liabilities	1,879,662	2,125,720
Total liabilities	10,568,407	11,223,616
Deferred inflows	400,964	285,226
Net position:		
Net investment in capital assets	63,135	28,878
Unrestricted	(1,426,053)	(1,487,596)
Total net position	\$ (1,362,918)	\$ (1,458,718)

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

Florida Commission on Community Service

Management's Discussion and Analysis (continued)

	2025	2024
Revenues		
Program revenues:		
Operating grants & contributions	\$ 46,354,274	\$ 40,828,692
Total program revenues	46,354,274	40,828,692
General revenues:		
Investment earnings	563	462
Total general revenues	563	462
Total revenues	46,354,837	40,829,154
Program expenses:		
General government	46,259,037	41,166,587
Total program expenses	46,259,037	41,166,587
Change in net position	\$ 95,800	\$ (337,433)

Governmental Activities

Net position increased by \$95,800 when accounting for GASB 68 adjustments of \$60,729.

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 \$188,407, an increase of \$814.

Capital Asset and Lease Activity

The Commission reported \$55,187 and \$0 in capital asset activity for governmental activities for the period ending June 30, 2025 and June 30, 2024, respectively. Please refer to Note 5 in the Notes to the Financial Statements for additional information on capital assets.

The right-of-use lease assets recorded are \$76,492 and the current lease liabilities are \$78,007 and \$3,954 for the noncurrent lease liabilities. See note 5 of the financial statements for a more detailed schedule about the Commission's lease 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, 2025

	<u>Governmental Activities</u>	<u>Component Unit</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 156	\$ 15,651,460
Grants receivable	8,798,989	-
Due from Commission	-	13,712
Prepaid expenses	121,672	-
Other assets	-	6,146
Total current assets	<u>8,920,817</u>	<u>15,671,318</u>
Noncurrent assets:		
Capital assets:		
Depreciable (net)	68,604	231
Leases, right-of-use assets (net)	76,492	-
Total noncurrent assets	<u>145,096</u>	<u>231</u>
Total assets	<u>9,065,913</u>	<u>15,671,549</u>
Deferred outflows related to pensions	540,540	-
Total assets and deferred outflows of resources	<u>\$ 9,606,453</u>	<u>\$ 15,671,549</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 8,474,631	\$ 11,718
Accrued liabilities	122,395	-
Due to Foundation	13,712	-
Lease liabilities, current	78,007	-
Unearned revenue	-	130,000
Total current liabilities	<u>8,688,745</u>	<u>141,718</u>
Noncurrent liabilities:		
Accrued leave	178,970	-
Lease liabilities, noncurrent	3,954	-
Net pension liability	1,696,738	-
Total noncurrent liabilities	<u>1,879,662</u>	<u>-</u>
Total liabilities	<u>10,568,407</u>	<u>141,718</u>
Deferred inflows related to pensions	400,964	-
Net position		
Net investment in capital assets	63,135	231
Restricted	-	14,580,905
Unrestricted (deficit)	(1,426,053)	948,695
Total net position	<u>\$ (1,362,918)</u>	<u>\$ 15,529,831</u>

See accompanying notes.

Florida Commission on Community Service

Statement of Activities

For Year Ended June 30, 2025

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	\$ 46,259,037	\$ 46,354,274	\$ 95,237	\$ -	\$ 95,237
Total governmental activities	<u>46,259,037</u>	<u>46,354,274</u>	<u>95,237</u>	<u>-</u>	<u>95,237</u>
Component unit:					
The Volunteer Florida Foundation, Inc.	11,390,963	25,048,752	-	13,657,789	13,657,789
Total business-type activities	<u>11,390,963</u>	<u>25,048,752</u>	<u>-</u>	<u>13,657,789</u>	<u>13,657,789</u>
General revenues:					
Unrestricted interest earnings			563	459,265	459,828
Total general revenues			<u>563</u>	<u>459,265</u>	<u>459,828</u>
Change in net position			95,800	14,117,054	14,212,854
Net position at beginning of year			<u>(1,458,718)</u>	<u>1,412,777</u>	<u>(45,941)</u>
Net position at end of year			<u>\$ (1,362,918)</u>	<u>\$ 15,529,831</u>	<u>\$ 14,166,913</u>

See accompanying notes.

Florida Commission on Community Service

Balance Sheet – Governmental Fund

June 30, 2025

	<u>Special Revenue Fund</u>
Assets:	
Cash and cash equivalents	\$ 156
Grants receivable	8,798,989
Total assets	<u>\$ 8,799,145</u>
Liabilities:	
Accounts payable	\$ 8,474,631
Due to Foundation	13,712
Accrued liabilities	122,395
Total liabilities	<u>8,610,738</u>
Fund balance:	
Assigned for general government	<u>188,407</u>
Total fund balance	<u>188,407</u>
Total liabilities and fund balance	<u>\$ 8,799,145</u>

See accompanying notes.

Florida Commission on Community Service

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

June 30, 2025

Total fund balance – governmental fund	\$	188,407
<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		167,660
Less accumulated depreciation		(99,056)
Leases, right-of-use assets		560,980
Less accumulated amortization		<u>(484,488)</u>
		145,096
<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		(178,970)
Lease liability		(81,961)
Pension related deferred outflows		540,540
Pension related deferred inflows		(400,964)
Net pension liability		<u>(1,696,738)</u>
		(1,818,093)
<p>Prepaid expenses, expenditures recorded that apply to a future period are reported as prepaid expenses in the Statement of Net Position.</p>		
		121,672
Net position of governmental activities		<u><u>\$ (1,362,918)</u></u>

See accompanying notes.

Florida Commission on Community Service

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

Year Ended June 30, 2025

	<u>Special Revenue Fund</u>
Revenues:	
Federal grants	\$ 39,119,081
Program matching contributions	5,450,987
State of Florida funds	1,783,749
Other income	1,022
Total revenues	<u>46,354,839</u>
Expenditures:	
Current:	
Volunteer program services:	
Sub-grantee reimbursements	35,293,074
Program matching expenditures	5,450,987
Personnel services	1,955,019
Operating expenses	3,542,395
Debt Service:	
Principal retirement	111,361
Interest and fiscal charges	1,189
Total expenditures	<u>46,354,025</u>
Net change in fund balance	<u>814</u>
Fund balance at beginning of year	187,593
Fund balance at ending of year	<u><u>\$ 188,407</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, 2025

Net change in fund balance - total governmental fund		\$ 814
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses.		
Expenditures for capital assets	55,187	
Less current year depreciation	(25,315)	
Expenditures for lease right-of-use assets	-	
Less current year amortization	<u>(122,105)</u>	(92,233)
Repayment of leases is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the Statement of Net Position.		126,490
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.		
Change in accrued leave liability	(23,548)	
Expenditures recorded under the purchases method that apply to a future period are reported as prepaid expenses in the Statement of Activities.	32,493	
Change in net pension liability	<u>51,784</u>	60,729
Change in net position of governmental activities		<u><u>\$ 95,800</u></u>

See accompanying notes.

Florida Commission on Community Service

Notes to Financial Statements

Year ended June 30, 2025

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, 2025. These statements were audited under Florida Statute 215.981 as annual expenditures of the Foundation exceeded \$100,000 for the year ended June 30, 2025.

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 and Florida Department of Homeland Security. 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.

Florida Commission on Community Service

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

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.

Grants Receivable and Payable

Grants receivable consist of amounts billed to the grantor for reimbursement of eligible expenditures as of June 30, 2025. 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 to/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 or vice versa.

Prepaid Expenses

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 \$10,000 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 \$10,000, 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.

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.

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)

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) and the Health Insurance Subsidy Program (HIS) administered by Florida Division of Retirement (collectively, FRS/HIS).

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.

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/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.

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.

Florida Commission on Community Service

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities and Net Position (continued)

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, 2025, the date the financial statements were available to be issued. Subsequent events identified by the Commission are described in Note 11.

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.

Florida Commission on Community Service

Notes to Financial Statements

2. Retirement Plan (continued)

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, 2024 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. 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.

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 428,667 active FRS participants.

Florida Commission on Community Service

Notes to Financial Statements

2. Retirement Plan (continued)

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 \$7.50. The minimum payment is \$45 and the maximum payment is \$225 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 the 2023 plan year and 2.00% for the 2024 plan year. 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, 2025, 2024, and 2023 were \$201,289, \$182,255, and \$171,674, respectively, which is equal to 100% of the required contribution for each year.

The membership categories and contribution rates for 2025 and 2024 were as follows:

Membership Category	Benefit	Vesting	Employer Contribution Rate	
			July 1, 2024	July 1, 2025
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.	13.57%	13.63%
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.	34.52%	34.52%
Special Risk	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.	32.67%	32.79%
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.	21.13%	21.13%

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, 2025, the Commission reported for its share proportionate of the FRS and HIS plans the amount for the net pension liability as shown below:

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Total pension liability	\$ 7,199,403	\$ 549,843	\$ 7,749,246
Fiduciary net position	6,026,102	26,407	6,052,509
Net pension liability	<u>\$ 1,173,301</u>	<u>\$ 523,437</u>	<u>\$ 1,696,738</u>

The net pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated July 1, 2024 for the net pension liability as of June 30, 2025. "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 23.

At June 30, 2025, the Commission reported for its proportionate share of the employer portion for the FRS and HIS net pension liability the percentages below:

	<u>FRS</u>	<u>HIS</u>
June 30, 2025	.003032984%	.003489351%
June 30, 2024	.003292198%	.003630042%
Increase (decrease) in Share for 2025	<u>(.000259214%)</u>	<u>(.000140691%)</u>

The Commission's proportionate share of the net pension liability was based on the Commission's 2024-2025 fiscal year contributions relative to the 2023-2024 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 July 1, 2024 HIS valuation was used to develop the liabilities as of June 30, 2025.

Florida Commission on Community Service

Notes to Financial Statements

2. Retirement Plan (continued)

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 3.50%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%. 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 3.93% 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 PUB-2010 with Projection Scale MP-2021 tables.

The following changes in actuarial assumptions occurred in 2024:

- FRS: The long term expected rate of return remained consistent at 6.70%
- HIS: The municipal rate used to determine total pension liability was increased from 3.65% to 3.93%.

The actuarial assumptions that determined the total pension liability as of June 30, 2024, were based on the results of an actuarial experience study for the period July 1, 2018 – June 30, 2023.

Valuation date	July 1, 2022	July 1, 2024
Measurement date	June 30, 2023	June 30, 2024
Inflation	2.40%	2.40%
Salary increases including inflation	3.25%	3.50%
Mortality	Generational PUB-2010 with Projection Scale MP-2018	Generational PUB-2010 with Projection Scale MP-2021
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 6.70 percent consists of two building block components: 1) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2024 by the FRS Actuarial Assumption Conference; and 2) an inferred real (in excess of inflation) return of 4.20 percent. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 6.70 percent return assumption were determined to be reasonable and appropriate per the Actuarial Standards of Practice. The 6.70 percent reported investment return assumption is the same as the investment return assumption chosen by the 2023 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%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate (property)	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%
Total	<u>100%</u>			
Assumed Inflation – Mean			2.4%	1.5%

(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 6.70%. 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, 2025.

FRS Net Pension Liability		
1%Decrease	Current Discount Rate	1%Increase
5.70%	6.70%	7.70%
\$2,063,795	\$1,173,301	\$427,323

HIS Net Pension Liability		
1%Decrease	Current Discount Rate	1%Increase
2.93%	3.93%	4.93%
\$595,865	\$523,437	\$463,309

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, 2025 the total pension expense and deferred inflows and outflows related to the FRS and HIS plans were as follows:

	FRS	HIS	Total
Pension expense	\$ 149,424	\$ 13,490	\$ 162,914
Deferred outflows of resources	478,030	62,510	540,540
Deferred inflows of resources	(253,597)	(147,367)	(400,964)

For the fiscal year ended June 30, 2025, the Commission recognized pension expense of \$149,424 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	\$ 118,535	\$ –
Change of assumptions	160,812	–
Net difference between projected and actual earnings on FRS plan investments	–	(77,984)
Changes in proportion and differences between Commission FRS contributions and proportionate share of contributions	14,513	(175,613)
Commission FRS contributions subsequent to the measurement date	184,170	–
Total	\$ 478,030	\$ (253,597)

Florida Commission on Community Service

Notes to Financial Statements

2. Retirement Plan (continued)

The deferred outflows of resources related to the Pension Plan, totaling \$184,170 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, 2025. 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:

Year ended June 30,	FRS Net Deferred Outflows (Inflows)
2026	\$ (63,141)
2027	142,567
2028	(26,920)
2029	(18,209)
2030	5,966
Thereafter	—
Total	<u>\$ 40,263</u>

For the fiscal year ended June 30, 2025, the Commission recognized pension expense of \$13,490 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:

	Deferred Outflows of Resources for the HIS Plan	Deferred Inflows of Resources for the HIS Plan
Differences between expected and actual experience	\$ 5,054	\$ (1,005)
Change of assumptions	9,264	(61,968)
Net difference between projected and actual earnings on HIS plan investments	—	(189)
Changes in proportion and differences between Commission HIS contributions and proportionate share of contributions	17,666	(84,205)
Commission HIS contributions subsequent to the measurement date	<u>30,526</u>	<u>—</u>
Total	<u>\$ 62,510</u>	<u>\$ (147,367)</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 \$30,526 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, 2025. 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 Inflows
2026	20,407
2027	29,381
2028	33,600
2029	19,816
2030	9,550
Thereafter	2,629
Total	\$ 115,383

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 \$156 and the bank balance was \$77,478. As of June 30, 2025, 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 obligations for the year ending June 30, 2025:

Descriptions	Beginning balance June 30, 2024	Additions	Deletions	Ending balance June 30, 2025
Net pension liability	\$ 1,888,336	\$ 9,691	\$(201,289)	\$ 1,696,738
Liability for accrued leave	155,422	178,970	(155,422)	178,970
Lease liabilities	208,451	—	(126,490)	81,961
Total governmental activity long term obligation	\$ 2,252,209	\$ 188,661	\$ (483,201)	\$ 1,957,669

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, 2025:

Descriptions	Beginning balance June 30, 2024	Additions	Deletions	Ending balance June 30, 2025
Equipment and furnishings	\$ 112,473	\$ 55,187	\$ –	\$ 167,660
Leases, right-of-use assets, office space	541,555	–	–	541,555
Leases, right-of-use assets, equipment	19,425	–	–	19,425
Total capital assets subject to depreciation	673,453	55,187	–	728,640
Accumulated depreciation and amortization	(436,124)	(147,420)	–	(583,544)
Total capital assets, net	<u>\$ 237,329</u>	<u>\$ (92,233)</u>	<u>\$ –</u>	<u>\$ 145,096</u>

Depreciation and amortization expense was \$147,420 for the year ended June 30, 2025.

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. Lease Commitments

The Commission leases office space and equipment under lease agreements expiring at various dates through June 2028. The right-of-use lease assets for office space and equipment were originally valued at \$541,555 and \$19,425, respectively. Accumulated amortization for the right-of-use lease assets for office space and equipment as of June 30, 2025 is \$472,630 and \$11,858, respectively. Future minimum lease commitments are as follows:

Year Ended June 30,	Principal	Interest	Debt Service
2026	\$ 78,007	\$ 274	\$ 78,281
2027	3,954	19	3,973
2028	–	–	–
2029	–	–	–
Thereafter	–	–	–
Total	<u>\$ 81,961</u>	<u>\$ 293</u>	<u>\$ 82,254</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.

On April 25, 2025, the Department of Government Efficiency (DOGE) ordered the termination of \$400 million in overall AmeriCorps grant funding. As part of this action, the Commission lost grant funding totaling \$13 million. The affected grants had been in service for 9 of the 12 month grant cycle, resulting in an actual loss of just under \$3 million in funding. These terminations affected 16 of 41 sub-grantees or 39% of the portfolio. A non-termination notice was received on July 15, 2025 giving affected programs the ability to complete their grant cycle and/or recoup wind down expenses. Funding for the fiscal year ending June 30, 2026 is back to typical levels.

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.

11. Subsequent Events

During the period from June 30, 2025 to October 20, 2025, the Commission did not have any material recognizable subsequent events.

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, 2025

	Governmental Fund			
	Special Revenue			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			
Revenues:				
Federal grants	\$ 39,572,611	\$ 41,851,999	\$ 39,119,081	\$ (2,732,918)
Program matching contributions	7,818,268	5,870,867	5,450,987	(419,880)
State of Florida funds	1,783,749	1,783,749	1,783,749	-
Other income	-	-	1,022	1,022
Total revenues	49,174,628	49,506,615	46,354,839	(3,151,776)
Expenditures:				
Current				
Volunteer program services:				
Sub-grantee reimbursements	38,384,747	37,246,503	35,293,074	1,953,429
Program matching expenditures	7,818,268	5,870,867	5,450,987	419,880
Personnel services	2,074,825	2,013,129	1,955,019	58,110
Operating expenses	896,788	4,376,116	3,542,395	833,721
Debt Service				
Principal Retirement	-	-	111,361	(111,361)
Interest and fiscal charges	-	-	1,189	(1,189)
Total expenditures	49,174,628	49,506,615	46,354,025	3,152,590
 Excess of expenditures over revenues	 \$ -	 \$ -	 814	 \$ 814
 Fund balance at beginning of year			 187,593	
 Fund balance at end of year			 \$ 188,407	

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
2025	2025	0.0030%	\$ 1,173,301	\$ 1,525,944	76.89%	83.70%
2024	2024	0.0033%	1,311,837	1,476,739	88.83%	82.38%
2023	2023	0.0035%	1,301,394	1,438,130	90.49%	82.89%
2022	2022	0.0041%	307,997	1,350,524	22.81%	96.40%
2021	2021	0.0040%	1,718,545	1,549,608	110.90%	78.85%
2020	2020	0.0039%	1,342,154	1,669,434	80.40%	82.61%
2019	2019	0.0038%	1,140,045	1,529,101	74.56%	84.26%
2018	2018	0.0025%	736,045	1,333,666	55.19%	83.89%
2017	2017	0.0017%	434,465	1,202,529	36.13%	84.88%
2016	2016	0.0019%	246,878	1,019,937	24.21%	92.00%

Notes:

1) The Commission implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015.

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
2025	2025	0.0035%	\$ 523,437	\$ 1,525,944	34.30%	4.80%
2024	2024	0.0036%	576,499	1,476,739	39.04%	4.12%
2023	2023	0.0037%	392,509	1,438,130	27.29%	4.81%
2022	2022	0.0044%	536,926	1,350,524	39.76%	3.56%
2021	2021	0.0048%	587,299	1,549,608	37.90%	3.00%
2020	2020	0.0046%	512,751	1,669,434	30.71%	2.63%
2019	2019	0.0040%	427,662	1,529,101	27.97%	2.15%
2018	2018	0.0037%	398,883	1,333,666	29.91%	1.64%
2017	2017	0.0033%	385,054	1,202,529	32.02%	0.97%
2016	2016	0.0032%	331,394	1,019,937	32.49%	0.50%

Notes:

1) The Commission implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015.

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
2025	\$ 171,747	\$ 171,747	\$ -	\$ 1,525,944	11.26%
2024	158,376	158,376	-	1,476,739	10.72%
2023	149,250	149,250	-	1,438,130	10.38%
2022	155,329	155,329	-	1,350,524	11.50%
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%

Notes:

1) The Commission implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015.

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
2025	\$ 29,542	\$ 29,542	\$ -	\$ 1,525,944	1.94%
2024	23,879	23,879	-	1,476,739	1.62%
2023	22,424	22,424	-	1,438,130	1.56%
2022	25,729	25,729	-	1,350,524	1.91%
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%

Notes:

1) The Commission implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015.

Notes to Required Supplementary Information

Pension Related Notes to Schedule

FRS: The Mortality assumption was consistently used as the PUB-2010 base table projected generationally with Scale MP-2021. The inflation rate assumption remained at 2.40%. Payroll growth, including inflation increased from 3.25% to 3.50%. The long-term expected rate of return remained at 6.7%.

HIS: The municipal rate used to determine total pension liability was increased from 3.65% to 3.93%.

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*

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 (*Government Auditing Standards*), the financial statements of the Florida Commission on Community Service (the Commission), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, the financial statement of governmental activities, the discretely presented component unit, and the major fund of the Commission, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Commission's basic financial statements, and have issued our report thereon dated AUDIT REPORT DATE.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 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.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
October 20, 2025



Report of Independent Auditors on Compliance for the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Commissioners
Florida Commission on Community Service

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Florida Commission on Community Service's (the Commission) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Commission's major federal program for the year ended June 30, 2025. The Commission's major federal program are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Thomas Howell Ferguson P.A.

Tallahassee, Florida
October 20, 2025

Florida Commission on Community Service

Schedule of Expenditures of Federal Awards

Year ended June 30, 2025

Grantor and Program Title	CFDA Number	Contract Number	Expenditures	Transfers to Subrecipients
Corporation for National and Community Service:				
AmeriCorps	94.006	21ACHFL001	\$ 340,632	\$ 324,521
AmeriCorps	94.006	21AFHFL001	1,496,847	1,462,208
AmeriCorps	94.006	21ESHFL001	378,625	366,683
AmeriCorps	94.006	22FXHFL001	5,614,732	5,491,558
AmeriCorps	94.006	23ACHFL001	292,402	286,539
AmeriCorps	94.006	24ACHFL001	2,505,720	2,455,246
AmeriCorps	94.006	24AFHFL001	4,862,739	4,782,675
AmeriCorps	94.006	24ESHFL001	3,316,661	3,230,293
			<u>18,808,358</u>	<u>18,399,723</u>
AmeriCorps - VISTA	94.013	23VSHFL003	31,221	-
			<u>31,221</u>	<u>-</u>
Commission Investment Fund	94.008	22TAHFL001	548,362	-
			<u>548,362</u>	<u>-</u>
State Commissions	94.003	22CAHFL001	216,919	-
Total Corporation for National and Community Service			<u>19,604,860</u>	<u>18,399,723</u>
Department of Homeland Security:				
Emergency Management Performance Grants	97.042	G0347	46,855	22,463
Disaster Case Management Program	97.088	FEMA-4673-DR-FL	19,574,999	16,922,474
Total Department of Homeland Security			<u>19,621,854</u>	<u>16,944,937</u>
Total expenditures of federal awards			<u>\$ 39,226,714</u>	<u>\$ 35,344,660</u>

Note 1 - This Schedule of Expenditures of Federal Awards (the Schedule) includes the federal awards of the Florida Commission on Community Service for the year ended June 30, 2025, 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, 2025

Section I -- Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: 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 program? Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs: CFDA Number Name of Federal Program
94.006 AmeriCorps

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

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.