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Juvenile Welfare Board of Pinellas County

9-30-1976

JWB FY76 Audited Financial Statements-B

Juvenile Welfare Board of Pinellas County.

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PLfllELLAS .COLlNTY
BOARD OF JUVENILE WELFARE

SEPTli:MBER 30, 1976

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HEVIA & KENNY, P. A.
. Certified Public Accountants
St. Pt-tersbllll. Florida

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PINELLAS COUNTY
BOARD OF JUVENILE WELFARE

SEPTEMBER 30, 1976

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PINELLAS COUNTY
BOARD OF JUVENILE WELFARE

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EDWARD J. KENNY, C.P.A.
RICHARD W. SEAGLES, C.P.A.
MARTIN J. GAUTHIER. C.P.A.

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Board of Directors
Pinellas County Board of Juvenile Welfare
Pinellas County, Florida

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We have examined the financial statements of the various funds and account groups of the Pinellas County Board of Juvenile Welfare for the year ended September 30, 1976, listed in the foregoing table of contents. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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In our opinion, the aforementioned financial statements present fairly the financial position of the various funds and account groups of the Pinellas County Board of Juvenile Welfare at September 30, 1976, and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

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Certified Public Accountants
St. Petersburg, Florida
March 25, 1977

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PINELLAS COUNTY
BOARD OF JUVENILE WELFARE

GENERAL FUND
BALANCE SHEET

ASSETS

September 30,
1976 1975

Cash

\$

418

\$

200

Special Time Deposit

1,002,457

887,081

Due from State Department of Health and
Rehabilitative Services, Social and
Economic Services - Federal Matching Funds

TOTAL ASSETS

68,966 23,733

4,383 400

6,125 4,086

2,112

\$1,084,461 \$915,500

Due from Other Agencies

Deposit on Rent and Other

Supplies Inventory

LIABILITIES AND FUND BALANCE

LIABILITIES:

Vouchers Payable

Funds held as Fiscal Agent:

Pacer Program

Latchkey Food Program

Shiloh Day Care Program

DUE TO OTHER FUNDS:

Trust Fund
Capital Improvements Fund

TOTAL LIABILITIES

FUND BALANCE

TOTAL LIABILITIES AND FUND BALANCE

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

EXHIBIT "A"

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DUE FROM GENERAL FUND

LIABILITIES:
Contracts Payable

FUND BALANCE

PINELLAS COUNTY
BOARD OF JUVENILE WELFARE

CAPITAL IMPROVEMENTS FUND
BALANCE SHEET

ASSETS

LIABILITIES AND FUND BALANCE

TOTAL LIABILITIES AND FUND BALANCE

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

EXHIBIT "B"

September 30,
1976 1975

\$118,074

\$244,500

\$ 34,617

83,457

\$118,074

\$

244,500

\$244,500

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PINELLAS COUNTY
BOARD OF JUVENILE WELFARE

TRUST FUND
BALANCE SHEET

ASSETS

DUE FROM GENERAL FUND

LIABILITIES AND FUND BALANCE

FUND BALANCE

SEE ACCO~ANYING NOTES TO FINANCIAL STATEMENTS

EXHIBIT "e"

September 30,
1976 1975

\$ 5,892

\$ 6,007

\$ 5,892

\$ 6,007

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PINELLAS COUNTY
BOARD OF JUVENILE WELFARE

GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 1976

261,822	203,739	(58,083)
Matching 38,881	28,929	(9,952)
5,591	5,382	(209)
39,791	39 , 791	
\$ 306,294	\$ 277 ,841	\$ (28,453)

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REVENUES:
Taxes

Federal Matching Funds through the State
Interest
State of Florida Homestead Exemption Trust Fund
Charge for Services
Licenses and Fees
Miscellaneous

TOTAL REVENUES

EXPENDITURES:

Operating:
Board of Juvenile Welfare:
Administrative Salaries

Marriage and Family Counselling Salaries
Community Services' Salaries
Social Security and Retirement Matching
Insurance
Tax Collection Assessment
Professional Fees
Travel and Conferences
Rent and Janitorial
Dues and Subscriptions
Repairs and Maintenance
Telephone and Utilities
Office Supplies and Expense
Other Expenses

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License Board for Children's Center and
Family Care Homes:
Salaries
Social Security and Retirement Match ing
Insurance
Travel and Conferences
Rent and Janitorial
Dues and Subscriptions
Repairs and Maintenance
Telephone and Utilities
Office Supplies and Expense

Other Expenses

Child & Family Comprehensive Mental
Health Center, Inc.:

Salaries
Social Security and Retirement
Insurance
Child Care

Over (Under)
Budget Actual Budget
\$1,735,105 \$1,806,414 \$ 71,309
425,529 340,659 (84,870)
60,000 103,155 43,155
94,381 94,381
7,969 7,969
1,000 1,279 279
51 , 960 22,207 (29 , 7 53)
2,273,594 2,376,064 102,470

87,841 89,262 1,421
106,224/ 105,864/ (360)
133,019 123,313 ~9, 706~
46,045 44,304 1,741
8,100 9,146 1,046
34,003 (30,473 ' (3,530)
47,128 47,112 (16)
11,750 8,021 (3,729)
27,241 16,848 (10,393)
970 1,757 787
2,023 2,485 462
8,549 7,911 (638)
11,454 10,294 (1,160)
8,127 7,031 (1,096)
532.474 503 ,821 (28.653)
5H, .147
177 ,272 17 5 , 915 (1,357)
25,032 25,124 92
5,181 4,585 (596)
9,000 6,859 (2,141)
16,349 15,874 (475)
500 547 47
1,283 562 (721)
6,272 5,243 (1,029)
6,885 6,908 23
400 663 263
248 ,174 242 ,280 (5 , 894)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

EXHIBIT "D"

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PINELLAS COUNTY
BOARD OF JUVENILE WELFARE

GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 1976

Budget

State Department of Health and Rehabilitative
Services, Division of Social and
Economic Services:
Salaries
Social Security and Retirement Matching
Insurance
Travel and Conferences
Care and Subsistence
Subsidy and Housekeeping Services

\$ 182,355
25,867
6,152
19,062
54,515
81,468
369,419

Family Counselling Center of Pinellas County, Inc.:

Salaries
Social Security and Retirement Matching
Insurance
Travel and Conferences
Adoption Home Recruitment
Care and Subsistence
Pre-Placement Activity
Other
Child Care

78,803
11,704
2,581
2,450
1,500
20,000
800
900
49,378
168,116

Peter Pan School and Cottage for Retarded Children:

Salaries
Social Security, Retirement Matching and
Group Insurance
Day Care

11,235

2,291
35,048
48,574

Play Parc School for Retarded Children:
Day Care

10,684

Project Playpen, Inc.:

Salaries
Social Security and Retirement Matching
Insurance
Travel and Conferences
Rent and Janitorial
Auditing
Telephone and Utilities
Office Supplies and Expense
Other
Child Care

115, 213
17,110
3,216
6,600
8,200
3,000
3,240
2,400
1,415
340,627
\$ 501,021

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

EXHIBIT "D"

Actual

\$

169,432
26,042
5,771
16,583
34,288
81,076
333,192

70,956
10,342
2,186
346
1,545
11,552
259
370
43,633
141,189

10,747

1,957
35,048
47,752

6,613

\$

107,953
15,237
3,062
4,706
6,087
2,006
2,605
2,502
181
261,606
405,945

Over (Under)
Budget

\$ (12, 923)
175
(381)
(2,479)
(20,227)
(392)
(36,227)

(7,847)
(1,362)
(395)
(2,104)
45
(8,448)
(541)
(530)
(5 ,745)
(26 , 927)

(488)
(334)

(822)

(4,071)

(7,260)
(1,873)
(154)
(1,894)
(2,113)
(994)
(635)
102
(1,234)

(79,021)
\$ (95,076)

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PINELLAS COUNTY
BOARD OF JUVENILE WELFARE

GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 1976

1.

1. State Department of Health and Rehabilitative
Services, Division of Youth Services:
Salaries
Social Security and Retirement Matching
Insurance
Travel and Conferences
Postage and Printing
Child Care

Budget

\$ 37,246
5,531
1,409
5,600
600
600
50,985
15,628
33,549
9,616
43,165
10,344
6,257
5,750
2,000
79,801
9,265
21,550
40,000
2,469,502
32,069
1,100

33,169
2,502,671

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1. United Way of Pinellas County – Information
and Referral Services

1. Board of Public Instruction,
, Teen Parent Program
Pupil Service Researcher

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Pinellas County:

Big Brothers of Pinellas County, Inc.

1. Big Sisters of Pinellas County, Inc.
. Science Center of Pinellas County, Inc.
Latchkey Services for School Age Children, Inc.
L Pinellas Youth Homes, Inc.
Child's Park Latchkey Demonstration Program
, Juvenile Detention Center – Behavioral Diagnostic
L Services

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District Mental Health Board – Group Homes for
Emotionally Troubled Youth

TOTAL OPERATING EXPENDITURES

1.

1.

Capital Outlays:
Board of Juvenile
License Board for
Family Day Care

Center and

Welfare

Children's
Homes

TOTAL CAPITAL OUTLAYS
TOTAL EXPENDITURES

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES

\$ (229,077)

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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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EXHIBIT "D"

Actual
\$ 36,495
5,419
1,301
3,691
749
380
48,035
13,708
33,497
9,228
42,725
10,342
5,878
1,265
1,616
78,657
5,628
21,550
10,000
2,198,037
32,359
1,073
33,432
2,231,469
\$ 144,595

Over (Under)
Budget

\$ (751)
(112)
(108)
(1,909)
149
(220)
(2,951)

(1,920)

(52)
(388)
(440)

(2)
(379)
(4,485)
(384)
(1,144)
(3,637)

(30,000)
(271,465)

290

(27)

263
(271,202)

\$373,672

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PINELLAS COUNTY
BOARD OF JUVENILE WELFARE

CAPITAL IMPROVEMENTS FUND
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 1976

REVENUES:

Taxes
Proceeds from Sale of Eckerd Townhouse
Miscellaneous

\$ 464,997
99,641
253

TOTAL REVENUES

564,891

EXPENDITURES:

Land Improvements
Construction of Building
Furniture, Fixtures and Equipment

TOTAL EXPENDITURES

9,847
660,513
55,574

725,934

\$(161,043)

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

EXHIBIT "E"

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PI NELLAS COUNTY
BOARD OF JUVENILE WELFARE

STATEMENT OF GENERAL FIXED ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 1976

General Fixed Assets	General Fixed Assets						
10/01/75	Additions	Deductions	09/30/76				
LAND AND IMPROVEMENTS	\$199,209	\$ 10,847	.\$ \$ 210,056				
BUILDING	706,247	706,247					
ECKERD TOWNHOUSE	82,281	82,281					
CONSTRUCTION IN PROCESS	45,794	660,513	706,307				
FURNITURE, FIXTURES AND EQUIPMENT	60,122	89,006	7 ,815	141,313			
\$387,40~	\$1,466,613	\$796,403	\$1,057,616				

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

EXHIBIT "H"

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NOTE 1.

NOTE 2.

PINELLAS COUNTY
BOARD OF JUVENILE WELFARE

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1976

SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Pinellas County Board of Juvenile Welfare conform to generally accepted accounting principles as applied to governmental units. The following is a summary of the more significant of these policies:

Basis of Accounting: The modified accrual basis of accounting is followed by all funds. Modification in such method from the accrual basis follows:

(a) Revenues are recorded as received in cash except for federal matching funds which are susceptible to accrual and material revenues that are not received at the normal time of receipt.

(b) Expenditures are recorded on the accrual basis except that prepaid expenses are not normally recorded.

General Fixed Assets: General fixed assets purchased are recorded as expenditures in the general fund and capital improvements fund at time

of purchase. Such assets are capitalized at cost in the general fixed asset group. Gifts or contributions are recorded in the general fixed assets at fair market value at the time received. No depreciation has been provided on general fixed assets.

Trust Fund: Revenues are exclusively from individual contributions and interest earned. The use of contributed funds is not restricted by the donors; however, all contributions were solicited for the purpose of paying unusual expenses.

Special Time Deposit: All cash in excess of normal operating needs is maintained in special time deposits with commercial banks. Special time deposits are held by the general fund as fiscal agent for all other funds.

THE PINELLAS COUNTY BOARD OF JUVENILE WELFARE:

The Pinellas County Board of Juvenile Welfare was established by special state statute in 1945 and approved by Pinellas County voters in 1946. The statute, as subsequently amended, provides that there be created for Pinellas County, Florida, a Board of Juvenile Welfare consisting of nine members. Four of these members shall be the County Superintendent of Public Instruction, both Judges of the Juvenile Court and the Vice Chairman of the Board of County Commissioners. Each will serve on the Board during his term of office. The other five members shall be appointed by the Governor for a term of four years.

EXHIBIT "I"

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PINELLAS COUNTY
BOARD OF JUVENILE WELFARE

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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1976

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(Continued)

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NOTE 2. THE PINELLAS COUNTY BOARD OF JUVENILE WELFARE:.. Continued

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The Board has the following powers and duties: (1) To provide and maintain in the County such child guidance, psychological or psychiatric clinics for juveniles as the Board determines are needed for the-general welfare of the County; (2) To provide for the care of dependent juveniles as the Board determines is needed for the welfare of the County; (3) To allocate and provide for other agencies in the County which are operated for the benefit of juveniles, provided they are not under the exclusive jurisdiction of the Public School System; (4) To collect information and statistical data which will be helpful to the Board in deciding the needs of juveniles in the County; and(S) To consult with other agencies dedicated to the welfare of juveniles to the end that the overlapping of services will be prevented.

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In order to provide funds for the Board there shall be an annual ad valorem tax of up to .5 mills and the budget prepared by the Board shall be certified and delivered to the Board of County Commissioners on or before July 1st of each year. For the year ended September 30, 1976, a tax rate of .39588 mills was assessed.

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NOTE 3. THE LICENSE BOARD FOR CHILDREN'S CENTERS AND FAMILY DAY CARE HOME3:

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The License Board includes its operational budget as a line item in the budget of the Board of Juvenile Welfare rather than requesting an appropriation from the Board of County Commissioners as authorized by law. All revenues collected were remitted to the Juvenile Welfare

Board
and all salaries and other expenses are approved, paid, and accounted
for
by the Board.

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NOTE 4. EMPLOYEE BENEFIT PLAN:

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Employees of the Board including administratively assigned employees
are
covered under the Florida State Retirement System. The Board's
contribu-
tions to the plan are remitted to the State Retirement System on a
monthly
basis.

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NOTE 5. AGENCIES WHOLLY OR PARTIALLY FUNDED BY THE BOARD OF JUVENILE
WELFARE:

The Board has entered into written agreements with various agencies
for
the purpose of providing financial assistance to juvenile welfare
programs sponsored by these agencies. All agreements are for a one-
year period or less. As of September 30, 1976, the Board was not
committed to expend any additional funds under these agreements except
as otherwise provided for in the general fund balance sheet. A
majority
of these contracts were renewed for the subsequent year.

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EXHIBIT "I"

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Although these individuals are considered employees of the Board they are responsible to the agency to which they have been assigned and are governed by the personnel policies of that particular agency but receive salary and fringe benefits as a part of the staff of the Board.

Where the Board has made payment directly to another agency as reimbursement for expenditures, the aggregate total expended is reflected on the statement of revenues and expenditures under the appropriate agency.

In cases where salaries and other costs were approved and disbursed directly by the Board, these expenditures are reflected by function (i.e. salaries, travel) under the appropriate agency.

CAPITAL IMPROVEMENTS FUND:

During the fiscal year ended September 30, 1975, the Board authorized the construction of an office facility to house its St. Petersburg operations and administrative offices. This facility will also accommodate various other juvenile welfare agencies. As of September 30, 1976, construction of the building located at 4140 - 49th Street North, St. Petersburg, was substantially completed. The funds for the acquisition of land, construction of building and purchase of furnitures, fixtures and equipment were appropriated from the following sources:

1975 Ad valorem taxes specifically allocated towards construction (.0836702 mills) \$ 464,997
Proceeds from Sale of Eclair Townhouse and Miscellaneous Revenues 99,894
Unappropriated General Fund Surplus from Years ending September 30, 1974 and 1975 490,443

Total Funds Appropriated

\$1,055,334

Total Cost of Land, Building, Furniture,

Fixtures and Equipment

971,877

Excess Funds Appropriated Toward
Construction Project

\$ 83.457

EXHIBIT "I"

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PINELLAS COUNTY
BOARD OF JUVENILE DELINQUENTS

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1976

(Continued)

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NOTE 6. CAPITAL IMPROVEMENTS FUND: - Continued

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This entire construction program was funded on a "pay as you go" basis and did not require any debt financing from outside sources. The unexpended balance in the capital improvements fund will be utilized to make any additional improvements to the office facility which may be authorized by the Board of Directors. It is anticipated that the balance of these unexpended funds will be applied toward general fund operation for the year ending September 30, 1977.

NOTE 7. PARENT-CHILD EFFECTIVE RELATIONS (PACER):

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Pacer, a child abuse prevention program, is funded in its entirety through a three-year federal grant. The Board acts as a receiving and disbursing agent for this program but does not appropriate any of its funds towards the program. Pacer's revenues and expenditures are not reflected in the general fund statement of revenues and

expenditures (Exhibit "0"). Funds received by the Board on behalf of Pacer and not expended as of September 30, 1976 are reflected as a liability on the general fund balance sheet (Exhibit "A").

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A summary of Pacer's revenues and expenditures for the year ended September 30, 1976 follows:

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Revenues:

Federal Grant
Institutes and Miscellaneous

\$127,084
2,536

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Total Revenues

129,620

l
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Expenditures:

Salaries
Social Security and Retirement Matching
Insurance
Travel, Conferences and Institutes
Professional Fees
Telephone and Utilities
Subscriptions and Dues
Office Supplies
Rent and Janitorial
Administrative Fees
Other

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Total Expenditures

75,829

11,037
2,243
8,295
4,294
2,155
2,357
2,830
2,989
7,969
2,272

122,270

Excess of Revenues over Expenditures
Fixed Asset Transferred to Board of Juvenile Welfare

7,350
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7,814
5,335

Unexpended Balance at September 30, 1975

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Unexpended Balance at September 30, 1976
EXHIBIT "I"

\$ 13.149

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NOTE 8.

NOTE 9.

PINELLAS COUNTY
BOARD OF JUVENILE WELFARE

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1976

LEASE COMMITMENTS:

The Board is committed under a long-term lease agreement office facilities at 1250 1/2 Rogers Street, Clearwater. expires in April, 1979. Annual gross rentals under this \$12,392.

related to its
This lease
lease are

Additionally, the Board is committed under a lease agreement related to an office facility at 3435 First Avenue South, St. Petersburg. This facility has not been utilized by the Board since September 15, 1976, when the agency relocated to its new building. The lease expires in April, 1977. Subsequent to September 30, 1976, the Board made lease payments in the amount of \$6,300 representing November and December, 1976 rents and has settled its remaining liability on the lease for \$8,750.

Gross rentals are allocated between related agencies based on the square footage utilized by them. Income from sub-leases with unrelated agencies is applied as a reduction of rent expense.

LITIGATION:

On February 6, 1976, the Communications' Workers of America filed a petition against the Board with the Florida Public Employees' Relations Commission. The petition claimed that certain employees wished to be represented for purposes of collective bargaining by the Communications'

Workers of America, which employees are working in state positions in the Department of Health and Rehabilitative Services. The Board moved to dismiss the proceeding based on the grounds, among others, that the petition was inappropriate since the State of Florida rather than the Board was the employer of these employees. The motion to dismiss was denied and the proceedings are still pending.

The Board has been notified by the Department of Health and Rehabilitative Services that in order to resolve the disputes they established state positions which have been filled by the petitioned-for employees as of December 1, 1976.,

The above mentioned proceedings have not been formally dismissed because of the uncertainty of the prior status of these employees and the responsibility for any accrued but unsatisfied liabilities.

On June 26, 1976, the Board filed a petition with the Second Judicial Circuit Court requesting that employees petitioned for in the above mentioned proceeding before the Florida Public Employees' Relations Commission to be considered employees of the State of Florida. This proceeding is still pending.

EXHIBIT "I"

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HEVIA & KENNY, P. A.

Certified Public Accountants

300 BUILDING WEST, SUITE 310
3151 3RD AVENUE NORTH
St. Petersburg, Florida 33713

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EDWARD J. KENNY, C.P.A.
RICHARD W. BEAGLES, C.P.A.
MARTIN J. GAUTHIER, C.P.A.

TELEPHONE
AREA CODE 813
821.5707

July 21, 1977

Dr. Raymond L. Edwards, Executive Director
Juvenile Welfare Board of Pinellas County
4140 - 49th Street North
St. Petersburg, Florida 33709

Dear Dr. Edwards:

In conjunction with our audit of the Board for the year ended 1976 and 1977, we performed a limited review of the accounting system and other financial matters at July 20 and 21, 1977. In general, we found your response to our report of recommendations for the year ended September 30, 1976, to be adequate. Substantially all deficiencies noted in this report have been corrected. We consider the controls and safeguards placed on blank checks, and cash disbursements to be very well implemented and commend your staff for their thoroughness and expediency in this matter.

We have reviewed and tested on a limited basis the new computerized accounting system. Based on our review, we are of the opinion that the system is a considerable improvement over the previous one. The system is well-designed and appears to have adequate controls built in. We anticipate that the new accounting system will require less audit since information is more readily available and easier to trace. Furthermore, we have discussed with D.P. Services, the possibility of writing certain auxiliary programs to assist us in our audit. We are awaiting to hear from them on this matter. Based upon a preliminary discussion with them, it would appear that a substantial savings in audit costs can be realized as compared to the cost of writing the programs.

In summary, we were satisfied with all areas of the accounting system which we reviewed. The review of the Minutes of the Board Meetings, financial statements and budget reports did not disclose any items which

would cause problems in our 1977 audit.

Very truly yours,

HEVIA & KENNY, P. A.
Certified Public Accountants

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juvenile \elfare board of pinellas county

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1250~~ rogers 5tr!:::!t . cie3r\.\later . flc.'ndJ 33516 .. 813/4<:
6.7151 ext. 173

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chairman
Robert E. CQ1~man, Jr., D.O.

f:')xecutive director
R'lyrnolld L. Ed.....ard\$. iJ.CSW. Ph.D.

April 14, 1977

Department of Banking and Finance
Carlton Building
Tallahassee, Florida 32304

Dear Sir:

Enclosed is a written statement of explanation concerning the
recen.~ly completed audit of the Juvenile Welfare Board of
Pinellas County. A copy of the audit and auditor's comments
were previously mailed on March 31, 1977.

If you have any questions, please call me.

Sincerely,

William M. Markman

Business Administrator

WMM: cmg
Enclosure

Explanation concerning auditor's comments:

A.1. A written plan of organization is in rough draft form and will be presented to the Board for approval within the fiscal year. Due to a conversion to a computer system and re-structure of our Accounting Department, a new plan of organization has been necessitated.

A.2. See response to B.6.

A.3. We intend to institute a check voucher system (B.S.) which will address itself to this problem. A temporary system is currently in force, pending receipt of printed, pre-numbered vouchers.

A.4. To be presented to the Board for their action.

A.5. The Board chose to continue the contingency fund last year. Our recommendation to the Board will be to continue in its current state.

A.6. Since last years audit, the majority of employees paid by the Juvenile Welfare Board but assigned to other agencies has been reduced drastically. No new positions are being funded in this manner. The few employees who remain in this status will remain that way due to fringe and retirement benefits that make it unfeasible to consider any change in status.

A.7. Some action taken in this direction but we have two areas that are still un-resolved.

We are reviewing current situation with possibilities of ownership of property being transferred to the controlling agency.

B.1. See section A response.

B.2. Has been corrected. We have difficulty seeing where computer

program services
should be considered as a capital outlay item.

B.3. This will be corrected with institution of voucher system. See A.3. and
B.S.

B.4. This will be corrected. This occurred when new procedure involving computer run continuous checks required the voiding of several checks at the beginning of a new run.

B.S. A voucher system will be instituted during current fiscal year. See A.3.

B.6. A system to safeguard the writing of checks will be instituted immediately to include:

Removal of signature writer to Business Administrators office.
Unused check supply will be kept locked in Business Administrators office.

Keys to signature writer to be kept by Business Administrator and Administrative Secretary.

Business Administrator or Fiscal Monitor will review all checks as they are processed through signature writer and make sure that

- Continued -

Explanation concerning auditor's comments: (Continued)

log is maintained properly. Not feasible to handwrite signatures.

Transfer of funds at the bank will be handled by Business Administrators office or Fiscal Monitor.

B.7. Has been corrected. This procedure was used to set up new fund balances that had been instituted.

B.8. Inventory was delayed due to moving of office in September and purchase of a good deal of new furniture. Inventory now in process and an annual inventory will be taken each September.

B.9.

A new travel regulation program was begun in October, 1976, to

standardize
mileage reimbursement similar to that recommended by the audit report.

B.10.

All employee personnel files will be reviewed and up-dated during this
fiscal
year.

B.11.

June Unger was under contract to the Juvenile Welfare Board and paid
on a
consultants fee basis. Board approval of August 3, 1976.

Explanation concerning auditor's comments:

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juvenile welfare board of pinellas co~nty

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chairman
Rob~,t E. Col~<T:an, Jr.. D.O.

executive director
R..Jymond L Edwards, ACSF1, Ph.D.

April 14, 1977

Department of Banking and Finance
Carlton Building
Tallahassee, Florida 32304

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If you have any questions, please call me.

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Business Administrator

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HEVIA & KENNY, P. A.

Certified Public Account,mts

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51. Petersburg, Florida 33713

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821.5707

DANIEL J. HEVIA, C.P.A.
EDWARD J. KENNY, C.P.A.
RICHARD W. BEAGLES. C.P.A.
MARTIN J. GAUTHIER, C.P.A.

March 28, 1977

Board of Directors
Pinellas County Board of Juvenile Welfare
Pinellas County, Florida

We have examined the financial statements of the Pinellas County Board of Juvenile Welfare for the year ended September 30, 1976 and have issued our report thereon dated March 25, 1977. As a part of our examination we reviewed and tested the Board's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. ~Jr study and evaluation of the Board's system of accounting controls was not designated for the purpose of expressing an opinion on internal control and it would not necessarily disclose all weaknesses in the system.

This report should not be considered to be an all-inclusive evaluation of the operations of the Board, since our examination was not designated to evaluate the operating efficiencies of the Board or the effectiveness of the programs funded.

The following weaknesses in internal control along with other disclosures required by Chapter 3D - 140.04 of the Rules of the Department of Banking & Finance and our

recommendations follow:

All irregularities noted and recommended in the preceding annual report have been carried out and adequately implemented, except as otherwise noted herein:

(1) The Board has not adopted a written plan of organization as required by the Rules of the Department of Banking. The Board should complete and approve such a plan as soon as administratively feasible. The plan should, as a minimum, specify the division of responsibilities concerned with accounting and administrative controls relating to the safeguarding of assets, custody of financial records, and the reliability of financial statements.

(2) In the prior year's report 1978 recommended that all checks be reviewed by the administrative officer and compared to the total amount written on the check writing machine as well as compared to the cash disbursements journal posting. None of the procedures have been complied with. See additional comment in Item B (6).

Board of Directors
Pinellas County Board of Juvenile Welfare
Pinellas County, Florida
March 28, 1977
Page 2

(3) During the course of the prior year's audit, several instances were noted where purchase orders were not adequately cross-referenced to paid invoices. The same situation was noted again during the current audit. A copy of the purchase order should be attached and filed with the corresponding paid invoices and check voucher. All purchase orders should be cross-referenced to the corresponding invoice and check voided by the purchase order; the check number should be on the face of the purchase order.

(4) No action has been taken to more clearly define the purpose and nature of the trust fund. The Board should define the purpose of the fund and criteria for allocating revenues and expending monies therefrom.

(5) Consideration was given to our proposal to eliminate the contingency fund. The Board has decided to retain this fund as an appropriations device. The Board has followed the practice of transferring funds from the contingency fund to the general fund when additional appropriations are required for unbudgeted expenditures. The unexpended balance of the contingency fund is transferred to the general fund at the end of each fiscal year and re-appropriated on an annual basis. Since this fund serves no useful purpose, except as a means of appropriating funds for contingencies, we again recommend that the Board eliminate the fund and simply appropriate a portion of its general fund balance for contingencies. The Board could still provide for contingencies in its budget without the necessity of maintaining accounting records for a separate contingency fund,

(6) As outlined in the prior year's report, the salaries of certain individuals are employed by the Board and administratively assigned to other public and private welfare and social agencies furnishing services to children were paid directly to them pursuant to terms of written agreements entered into with these agencies. However, several of these agreements stipulate that all staff will be employed by, and be responsible to, the various agencies through their respective administrators and will be governed by the personnel policies of the agency. However, they will receive salaries and fringe benefits as part of the staff of the Board of Juvenile Welfare. In an attempt to eliminate confusion in this area and standardize personnel policies, the Board has discontinued this practice with a number of agencies. The complete phasing out of this practice immediately is not feasible because a number of these employees have been contributing to the Florida State Retirement System for a number of years. No new positions are being funded in this manner and it is hoped that through attrition this practice may be discontinued. We concur with the Board's action in this matter.

Board of Directors
Pinellas County Board of Juvenile Welfare
Pinellas County, Florida
March 28, 1977
Page 3

(7) The Board has continued to reflect certain assets on its books which are under the custody and control of another agency. As we stated in the prior year's report, the status of these assets as to their ownership appears to be in doubt. The Board should remove these assets from their books and transfer ownership to the agency which has custody of the assets.

B. The accounting system developed by the Board for the year ended September 30, 1976 was found to be generally well designed with adequate internal controls incorporated into the system except as otherwise noted herein. The system enables all receipts to be traced from source to deposit, provides support for the disbursement of all money and maintenance of all liabilities, and maintains accountability of all fixed assets. Our testing of the system did not disclose any deficiencies with the following exceptions:

(1) See Part A of this report for deficiencies which existed in prior year and have not been satisfactorily corrected.

(2) During the current year \$8,669.00 of computer software was purchased. This software was incorrectly classified as professional services. The audited statements have been adjusted to reflect this expenditure as a capital outlay.

(3) No evidence of a pre-audit review on utility, rent, and telephone expenditures exist. Although these bills are normal and recurring in nature, they should nonetheless be verified by an authorized employee and approved for payment. All such invoices should be initialled and dated to insure that no unapproved or disputed invoices are paid.

(4) Several checks were found to have been voided in pencil. This does not constitute an effective cancellation. All voided checks should be marked "void" in ink on their face and the signatures detached.

(5) The Board should consider adopting a formal voucher system to provide better controls over cash expenditures. Such a system should utilize a voucher to be attached to all incoming invoices. This voucher will act as the controlling document for the payment of all bills.

(6) Controls employed in the safeguarding of all cash were found to

be
highly inadequate. There are no controls or accountability over the supply of blank checks. Although the check-writing machine requires two keys to be operated, it was noted that these keys are turned over to employees in the accounting department who perform the actual checkwriting function. A log is maintained of the checks written on the machine, but this log is not verified or otherwise reviewed

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Board of Directors
Pinellas County Board of Juvenile Welfare
Pinellas County, Florida
March 28, 1977
Page 4

by anyone. Therefore, it does not constitute a useful control. In observing the daily operation and in questioning employees of the accounting department, we were unable to verify that any controls whatsoever existed as to the indiscriminate writing of checks by someone within the accounting department. Furthermore, transfers from the special time deposit account to the general account and payroll account were made by the same employee who operates the checkwriter.

Under this system it would be possible for an employee in the accounting department to make an unauthorized transfer of funds from the special time deposit to the general account or payroll account and to write a check against these funds. Such an action would not be discovered until such time as the bank accounts are reconciled. The maximum exposure to the Board should this occur could be in excess of \$1,000,000.

We recommend that the Board discontinue the use of signature plates and authorize the executive director and the administrative officer to sign all checks. The volume of checks is not so great as to make this approach impractical. This will further insure that all checks

are physically reviewed by two responsible officers. Furthermore, the checks presented to the administrative officer for payment should be accompanied by the underlying approved voucher and invoice. The check writer should continue to be used without signature plates as an

added protection against forgeries. The supply of blank checks should be placed under the control of one employee who can be held accountable

for them. Periodically the numerical sequence of blank checks should be examined by a responsible officer.

(7) A number of journal entries were made directly to the fund balance of the general fund and the capital improvements fund. This practice should be discontinued.

(8) An annual inventory of fixed assets was not performed by the Board for the current year. An inventory of fixed assets should be conducted on an annual basis. Fixed assets should be compared to property records and all assets accounted for. Detailed property records should be reconciled to balances in the general fixed assets group.

(9) Certain employees have been receiving mileage reimbursements for travel directly from their home. The Board should standardize its travel policies in this area and should require employees to deduct the distance to and from their home to their principal place of work from the total reimbursable mileage.

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Board of Directors
Pinellas County Board of Juvenile Welfare
Pinellas County, Florida
March 28, 1977
Page 5

(10) A number of employee personnel files did not include appropriate authorization for travel and other expenses. Employees receiving a payroll check. Personnel records should be reviewed periodically for proper authorizations and other required forms.

(11) A check made payable to Jun2 Unger for \$1,000.00 was not adequately supported. The check did not describe the services rendered or the basis for the fee.

C. No illegal expenditures and/or violations of the law were discovered during the course of our examination.

Very truly yours,

HEVIA & KENNERLY, P.A.
Certified Public Accountants

Daniel J. Hevia

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PINELLAS COUNTY
BOARD OF JUVENILE WELFARE

REPORT OF COMMITTEES AND RECOMMENDATIONS
SEPTEMBER 30, 1976

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HEVIA & KEN:-IY, P. A.

Certified Public Accountants

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3151 3RD AVENUE NORTH
St. Petersburg, Florida 33713

TELEPHONE
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821-5707

DANIEL J. HEVIA, C.P.A.
EDWARD J. KENNY, C.P.A.
RICHARD W. BEAGLES, C.P.A.
MARTIN J. GAUTHIER. C.P.A.

March 28, 1977

Board of Directors
Pinellas County Board of Juvenile Welfare
Pinellas County, Florida

We have examined the financial statements of the Pinellas County Board of Juvenile Welfare for the year ended September 30, 1976 and have issued our report thereon dated March 25, 1977. As a part of our examination we reviewed and tested the Board's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. Our study and evaluation of the Board's system of accounting controls' was not designated for the purpose of expressing an opinion on internal control and it would not necessarily disclose all weaknesses in the system.

This report should not be considered to be an all-inclusive evaluation of the operations of the Board, since our examination was not designated to evaluate the operating efficiencies of the Board or the effectiveness of the programs funded.

The following weaknesses in internal control along with other disclosures required by Chapter 3D - 140,04 of the Rules of the Department of Banking & Finance and our recommendations follow:

A. All irregularities noted and recommendations made in the preceding annual report have been corrected and adequately implemented except as otherwise noted herein;

(1) The Board has not adopted a written plan of organization as required by the Rules of the Department of Banking. The Board should complete and approve such a plan as soon as administratively feasible. The plan should, as a minimum, specify the division of responsibilities concerned with accounting and administrative controls relating to the safeguarding of assets, custody of financial records, and the reliability of financial statements.

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(2) In the prior year's report we recommended that all checks be

reviewed

by the administrative officer and compared to the total amount written on the check writing machine as well as compared to the cash disbursements journal posting. None of the procedures have been complied with. See additional comment in Item B (6).

Board of Directors
Pinellas County Board of Juvenile Helphare
Pinellas County, Florida
March 28, 1977
Page 2

(3) During the course of the prior year's audit, several instances were noted where purchase orders were not adequately cross-referenced to paid invoices. The same situation was noted again during the current audit. A copy of the purchase order should be attached and filed with the corresponding paid invoices and check voucher. All purchase orders should be cross-referenced to the corresponding invoice and check vouchers by placing the check number on the face of the purchase order.

(4) No action has been taken to more clearly define the purpose and nature of the trust fund. The Board should define the purpose of the fund and criteria for allocating revenues and expending monies therefrom.

(5) Consideration was given to our proposal to eliminate the contingency fund. The Board has decided to retain this fund as an appropriations device. The Board has followed the practice of transferring funds from the contingency fund to the general fund when additional appropriations are required for unbudgeted expenditures. The unexpended balance of the contingency fund is transferred to the general fund at the end of each fiscal year and re-appropriated on an annual basis. Since this fund serves no useful purpose, except as a means of appropriating funds for contingencies, we again recommend that the Board eliminate the fund and simply appropriate a portion of its general fund balance for contingencies. The Board could still provide for contingencies in its budget without the necessity of maintaining accounting records for a separate contingency fund.

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Board of Directors
Pinellas County Board of Juvenile Welfare
Pinellas County, Florida
March 28, 1977
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Board of Directors
Pinellas County Board of Juvenile Helphare
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Board of Directors
Pinellas County Board of Juvenile Helfare
Pinellas County, Florida
March 28, 1977
Page 5

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Very truly yours,

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Certified Public Accountants