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Juvenile Welfare Board of Pinellas County

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9-30-2001

## **JWB FY01 Audited Financial Statements-B**

Juvenile Welfare Board of Pinellas County.

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JUVENILE WELFARE BOARD

Financial Statements

September 30, 2001

(With Independent Auditors' Report Thereon)

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JUVE\ 'ILE WELFARE BOARD

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~o. Box 31002  
St. Petersburg, FL 33731-8902

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~o. Box 1439  
Tampa, FL 33601-1439

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Independent Auditors' Report on the Financial Statements

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Members of the Board  
Juvenile Welfare Board of Pinellas County, Florida:

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We have audited the accompanying general purpose financial statements of the Juvenile Welfare Board of Pinellas County, Florida (the "Juvenile Welfare Board"), as of and for the year ended September 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the Juvenile Welfare Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Juvenile Welfare Board as of September 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with Government Auditing Standards, we have also issued our report dated December 7, 2001 on our consideration of the Juvenile Welfare Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

KPM Go LLP

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December 7, 2001

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.ruJUVENILE WELFARE BOARD

Balance Sheet – All Fund Types, Account Groups,  
and Discretely Presented Component Unit

September 30, 2001

Governmental  
Fund Type

Assets

Cash and cash equivalents  
Due from other governments  
Due from other agencies  
Receivables  
Deposits  
Due from other funds  
Due from primary government  
Land and improvements  
Building and improvements  
Furniture, fixtures and equipment  
Accumulated depreciation  
Amount to be provided for compensated absences

Total assets

Liabilities and Equity),

Liabilities:

Vouchers and accounts payable

Other payables

Accrued liabilities

Deferred revenue

Due to other funds

Due to component unit

Total liabilities

\$

4,512.629

2.972

162.589

4,702

329.200

123.686

5,135.778

Equity:

Investment in general fixed assets

Contributed capital

Retained earnings, unreserved

Fund balance:

Designated for Cooperman-Bogue

Designated for Disability Benefits

Designated for Future Years' Expenditures

Designated for Sick Leave Pool

Undesignated, unreserved

Total equity

Total liabilities and equity

See accompanying notes to financial statements.

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Proprietary Fund Types

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1,418

1,418

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Statement of Revenues, Expenditures, and Changes in Fund Balance--  
All Governmental Fund Types and Discretely Presented Component Unit

Year ended September 30, 2001

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Governmental  
Fund Type -  
General Fund

Component  
Unit--  
Pinellas  
County  
License  
Board

Totals  
reporting entity  
(memorandum only)  
2001 2000

u

Revenues:

Property taxes	\$ 30,626,157	30,626,157	28,705,604
Fees	89,340	84,906	174,246
Intergovernmental	549,672	1,370,533	1,920,205
Interest income	898,000	898,000	858,292
Other	44,439	20,449	160,488
Total revenues	32,207,608	1,455,459	33,663,067

Expenditures:

Administration	3,985,033	3,985,033	3,922,552
Children's programs	26,686,400	2,371,354	29,057,754
Non-operating	1,177,602	1,177,602	1,024,321
Capital outlay	97,858	10,850	108,708
Total expenditures	31,946,893	2,382,204	34,329,097
Excess (deficiency) of revenues over expenditures	260,715	(926,745)	(666,030)
Other financing sources (uses):			
Operating transfers	(967,368)	967,368	
Total other financing sources (uses)	(967,368)	967,368	
Excess (deficiency) of revenues over expenditures and other financing uses	(706,653)	40,623	(666,030)
Fund balance - beginning of year	6,330,698	264,088	6,594,786
	8,363,216		

Fund balance – end of year \$ 5,624,045 304,711 5,928,756 6,594,786  
See accompanying notes to financial statements.

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JUVENILE WELFARE BOARD

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

Budget and Actual – General Fund

Revenues:

Property taxes

Fees

Intergovernmental

Interest income

Other

Total revenues

Expenditures:

Administration

Childrens' programs

Non-operating

Capital outlay

Total expenditures

Excess (deficiency) of revenues  
over expenditures

Other financing sources (uses):

Operating transfers to Pinellas County

License Board

Total other financing uses

Year ended September 30, 2001

Variance

Original Amended favorable

budget budget Actual (unfavorable)

\$ 30,402,914 30,402,914 30,626,157 223,243

84,000 84,000 89,340 5,340

431,754 731,433 549,672 (181,761)

1.1 54,465 1,154,465 898,000 (256,465)

246,250 246,250 44,439 (201,811)

32,319,383 32,619,062 32,207,608 (411,454)

4,611,796 4,665,964 3,985,033 680,931

28,536,223 28,536,223 26,686,400 1,849,823

2,085,041 2,331,201 1,177,602 1,153,599

97,858 97,858

35,233,060 35,631,246 31,946,893 3,684,353

(2,913,677) (3,012,184) 260,715 3,272,899

(959,027)

(959,027)

(959,027)

(959,027)

(967,368)  
(967.368)

(8,341)  
(8,341)

Deficiency of revenues over expenditures  
and other financing uses

Fund balance – beginning of year

Fund balance – end of year

S (3,872,704)

(3,971,211)

3,264,558

(706,653)  
6.330,698

\$ 5,624,045

See accompanying notes to financial statements.

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JUVENILE WELFARE BOARD  
Statement of Revenues, Expenses, and Changes in Retained Earnings -  
All Proprietary Fund Types  
Year ended September 30, 2001

Total	2001	2000
Operating revenues:		
Charges for services	\$ 179,858	305,714
Operating expenses:		
Personnel services	8,885	78,893
Contractual services	36,290	36,290
Utilities	91,339	89,097
Supplies	6,737	6,737
Repairs and maintenance	28,724	57,719
Other operating expenses	18,277	18,277
Depreciation	37,145	71,256
Total operating expenses	74,754	360,511
Operating income (loss)	105,104	(54,797)
Depreciation on contributed assets	24,250	57,936
Net income (loss)	129,354	3,139
Retained earnings - beginning of year	363,895	203,214
Retained earnings - end of year	\$ 493,249	206,353

See accompanying notes to financial statements.

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JUVENILE WELFARE BOARD

Statement of Cash Flows -  
All Proprietary Fund Types

Year ended September 30, 200 I

Total				
reporting entity				
Internal (memorandum only)				
Enterprise service	2001	2000		
Cash flows from operating activities:				
Operating income (Loss)	\$ 105,104	(54,797)	50,307	64,557
Adjustments to reconcile operating				
income (Loss) to net cash provided				
by operating activities:				
Depreciation	37,145	71,256	108,401	102,658
Decrease (increase) in due from				
other governments	7,267	7,267	(12,717)	
Decrease (increase) in due from				

other funds	(134,934 )	14,346	(120,588)	50,219
Increase in accrued liabilities	1,418	79	1,497	413
Increase (decrease) in deferred revenue	(61,277)	(61,277)	67,321	
Increase (decrease) in due to other funds	91,413	91,413	(179,751)	
Net cash provided by				
operating activities	16,000	61,020	77,020	92,700
Cash flows used in capital financing activities:				
Acquisition of fixed assets	(16,000)	(61,020)	(77,020)	(92,700)
~Net increase in cash and cash equivalents				
Cash and cash equivalents – beginning of year				
Cash and cash equivalents – end of year				\$

See accompanying notes to financial statements.

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. JUVENILE WELFARE BOARD

Notes to Financial Statements

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September 30, 200 I

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(I) Organization

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The Juvenile Welfare Board of Pinellas County (the "Juvenile Welfare Board" or "JWB") was established by Legislature through Chapter 234,83 Special Acts of 1945 and approved by Pine lias County voters in 1946, The purpose of JWB is to provide social services to children.

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(2) Summary of Significaut Accounting Policies and Practices

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The accounting policies and practices of the Juvenile Welfare Board conform to accounting principles

generally accepted in the United States of America applicable to governmental units. The following is a summary of the more significant policies and practices:

(a) Reporting Entity and its Operations

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The Juvenile Welfare Board is an independent taxing authority governed by an eleven-member board. As required by generally accepted accounting principles, these financial statements present the Juvenile Welfare Board and its component unit.

u

The component unit discussed below is included in JWB's reporting entity because of the significance of its operational or financial relationship with JWB. Its financial data is reported in a separate column to emphasize that it is legally separate from JWB.

c

The Pinellas County License Board (the "PCLB"), consistent with Special Act Chapter 61-2681 amended by Chapter 70-893 Laws of Florida, licenses children's centers and family day care homes in Pinellas County. The Juvenile Welfare Board has the ability to significantly influence the personnel operations and has accountability for fiscal matters of the agency. One JWB Board member is also appointed as a member of the Pinellas County License Board of Directors,

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Financial information of the component unit can be obtained by contacting their administrative office: Pinellas County License Board for Children's Centers & Family Day Care Homes, 6698 68th Avenue North, Suite C, Pine lias Park, Florida 33781-5060.

(b) Basis of Presentation

[i



A governmental accounting system should make it possible (a) to show that all applicable legal provisions have been complied with, and (b) to determine fairly and with full disclosure the financial position and results of financial operations of the agency. To accomplish these goals the accounts of JWB are organized and operated on a fund basis in accordance with the principles of fund accounting, A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2001

Governmental Fund Types

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General Fund – The General Fund is the general operating fund of JWB. It is used to account for all of its financial resources.

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## Proprietary Fund Types

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Enterprise Fund – The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

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Internal Service Fund – The Internal Service Fund is used to account for the financing of goods or services provided by one department to other departments of JWB or to other governments on a cost reimbursement basis.

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JWB has elected under Governmental Accounting Standards Board ("GASB") No. 20, Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that Use Proprietary Fund Accounting, to apply all applicable GASB pronouncements, as well as all applicable Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

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### Account Groups

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General Fixed Assets Account Group – Accounts for general fixed assets acquired for JWB purposes.

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General Long-Term Debt Account Group – Accounts for outstanding balances of long-term obligations (accrued compensated absences).

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(c) Measurement Focus and Basis of Accounting

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All governmental funds are accounted for using a flow of current financial resources measurement focus. Only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. JWB uses the modified accrual basis of accounting for its governmental fund and its component unit. Under this basis of accounting, revenue is recognized when susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. JWB's revenue susceptible to accrual is property taxes, intergovernmental, interest, and fees.

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JUVENILE WELFARE BOARD

Notes to Financial Statements

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September 30, 200 I

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Proprietary funds are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Revenue is recognized when it is earned, and expenses are recognized when they are incurred. The accounting and reporting policies of JWB conform to the accounting rules prescribed by the GASB.

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(d) Budget Process and Legal Compliance

JWB uses the following procedures in establishing the budgetary data reflected in the financial statements:

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. Before August 1, the Executive Director submits to the Board a proposed departmental and program budget for the fiscal year commencing October 1. The budget includes proposed expenditures and the means of financing them. There is a separately issued budget report prepared for the budgetary control process.

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. Two formal public hearings are held to obtain taxpayers' comments.

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. Florida Statutes, Chapters 120 and 200 govern the preparation, adoption, and administration of JWB's annual budget.

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. Before October 1, the budget is legally enacted through passage of a resolution by the Board and delivered to the Board of County Commissioners of Pine Hias County.

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. Budgetary control is maintained at the departmental and program level (e.g., salaries, benefits, copy costs, and telephone). The Executive Director or his/her designee is authorized to transfer any unencumbered appropriated balance or portion thereof between general classifications of expenditures within a department or program. The Board may, by resolution accept a receipt from a source not anticipated, and transfer from contingency or an appropriated balance or portion thereof to a department or program.

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. The annual budget serves as the legal authorization for expenditures. All unexpended appropriations lapse at fiscal year end.

o

. Budgets presented for governmental funds in these financial statements have been prepared on the modified accrual basis of accounting.

o

. Supplemental budget appropriations are sometimes necessary during the year. The Board authorized additional budget appropriations of \$398,186 during fiscal 2001. The amount occurred due to the addition of one grant, increased cash carryforward from three of the children's services programs, and increased resource funding for technology enhancements.

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JUVEL\ '1LE WELFARE BOARD

Notes to Financial Statements

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September 30, 200 I

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(e) Cash Equivalents

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Cash equivalents are defined as short-term, highly liquid debt instruments that are both readily convertible to known amounts of cash and have original maturities of three months or less.

o

(f) Fixed Assets

o

Fixed assets used in governmental fund-type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets. General fixed assets purchased are recorded as expenditures in the General Fund at the time of purchase. Such assets are capitalized at cost where historical records are available and at an estimated historical cost where no historical records exist. Gifts or contributions are recorded in the General Fixed Assets Account Group at estimated fair value at the time received.

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(g) Property and Equipmellt – Proprietary Funds

o

Property and equipment are stated at cost or estimated historical cost. Depreciation taken on contributed assets is closed out to contributed capital. Depreciation is provided using the straight-line method over the estimated useful life of the related assets. The estimated useful lives are as follows:

u

Property classification

Estimated  
useful life

o

Buildings  
Improvements  
Furniture and other equipment

30 years

10 years

10 years

[j

(h) Compensated Absences

G

It is JWB's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick-pay benefits, which will be paid to employees upon separation from JWB service. These liabilities are recorded in the general long-term debt account group since they would normally not be liquidated with expendable available financial resources.

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(i) Use of Estimates

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Management of JWB has made a number of estimates and assumptions

relating to the reporting  
of assets and liabilities and the disclosure of contingent assets and  
liabilities to prepare these  
financial statements in conformity with generally accepted accounting  
principles. Actual results  
could differ from those estimates.

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Notes to Financial Statcments

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September 30. 200 I

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(j) Total Columm

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Total columns are captioned "Memorandum Only" to indicate that they  
are presented only to  
facilitate financial analysis. Data in these columns does not present  
financial position or results  
of operations in conformity with generally accepted accounting  
principles. Neither is such data  
comparable to a consolidation.

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(k) Comparative Data

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The financial information for thc year ended September 30. 2000



presented for comparative purposes is not intended to be a complete presentation.

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(3) Cash and Cash Equivalents

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Cash and cash equivalents included in the accompanying balance sheet consists of the following at September 30, 2001:

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Petty cash  
Deposits with commercial banks  
Deposit with Florida State Board of Administration

\$

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9,122,524  
742,396

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9,865,020

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Deposits are maintained with commercial banks, which are organized under the laws of the State of Florida and the laws of the United States, and are insured by the Federal Deposit Insurance Corporation to legal limits. Security for deposits in excess of insured levels is required to be provided by the banks by the Florida Security for Public Deposits Act, which authorizes a collateral pool administered by the State to ensure no loss of public funds.

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Participants in the Florida State Board of Administration Fund with accounts less than \$20,000,000 are placed in a pooled investment account. The deposits of \$742,396 are

neither insured nor collateralized and are stated at fair value. The State Board is a "2a-7 like" pool and is therefore presented at its actual pooled shared price. These investments are not classified as to credit risk as they are not evidenced by securities that exist in book or entry form. The State Board's Fund is comprised of bankers' acceptances, certificates of deposit, commercial paper, federal agency obligations, medium-term notes and floating rate notes, repurchase agreements, treasury bills, notes, and bonds.

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2001

(4)

Changes in General Fixed Assets

A summary of changes in general fixed assets is as follows:

	Balance	Additions	Deletions	Balance
Furniture, fixtures and equipment	October 1, 2000			September 30, 2001
JWB	\$ 315,836	97,858	(13,157)	400,537
PCLB	150,905	12,970	163,875	
	\$ 466,741	110,828	(13,157)	564,412

(5)

General Long-Term Obligations

General long-term obligations represent accumulated unpaid compensated absences. The cost of such benefits is recognized in the General Fund when payments are made to employees. A long-term liability of \$539,799 for JWB and \$138,863 for PCLB of accrued compensated absences at September 30, 2001, has been recorded in the General Long-Term Debt Account Group, representing the commitment to fund such costs from future operations.

Accrued  
compensated  
absences

Outstanding October 1, 2000

Net additions/retirements

\$

600,759

77,903

Outstanding September 30, 2001

\$

678,662

(6)

Employee Retirement Plan

Substantially all Juvenile Welfare Board employees are eligible to participate in the Florida State Retirement System ("System"), a cost-sharing multiple-employer public employee retirement system.

The payroll for employees covered by the System for the year ended September 30, 2001 was

\$4,898,333 and the Juvenile Welfare Board's total payroll was \$4,901,294. Employees are not

obligated to contribute.

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2001

All JWB full-time and part-time employees are eligible to participate in the System. Employees who retire at or after age 62 with 6 years of credited service, or with 30 years of services regardless of age, are entitled to a retirement benefit, payable monthly for life, equal

to 1.6 percent of their average final compensation for each year of credited service. Average final compensation is the employee's average of the five highest years of salary earned during credited service. Early retirement is available after 10 years of service with a 5 percent reduction of benefits for each year prior to the normal retirement age. The System also provides death and disability benefits. Benefits are established by Florida Statute Chapter 121 and Florida Administrative Code Chapter 22B.

JWB is required by Florida Statute to contribute the amounts necessary to pay benefits when due. Statewide statutes establish contribution rates and if accumulated funds are insufficient to pay the benefits due, future contributions to the plan will be adjusted accordingly. The current rate is 7.3 percent of covered payroll. The actuarially determined contributions required and made by JWB for the years ending September 30, 2001, 2000, and 1999 were \$427,979, \$469,477 and \$685,962, respectively, equal to the required contributions for each year.

The system publishes an annual report that provides ten-year historical trend information about progress made in accumulating sufficient assets to pay benefits when due. The most recent available report is for the plan year ended June 30, 2001. That report may be obtained by writing to Research Education and Policy Section, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560, or by calling (850) 488-2872.

(7)

#### Operating Lease - Rent Income

The Board, as a lessor, has a lease agreement on its Pine Lias Park administrative office facilities, which expires in fiscal 2002. The Board, as a lessor, also has a lease agreement on its 49th Street Office facilities which expires in fiscal 2003. The following is a schedule of the future rental income at September 30, 2001:

Fiscal year	Internal Service Enterprise
ending September 30,	Fund Fund
2002	\$ 201,090 2] 8,010
2003	]27,]76
	\$ 201,090 345,186

(8)

Fund Equity

(a) Designated for Coopermall-Bogue

The Board designates these funds for its annual Cooperman-Bogue awards.

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. JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2001

(b) Designated for Disability Benefits

Beginning in fiscal year 1982. JWB assumed risk management activities for disability because the Pinellas County Board of County Commissioners could no longer carry JWB under its coverage. Under this program, charges for claims incurred are made directly to expenditures and claims incurred but not reported as of September 30 are accrued.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. No excess insurance coverage has been acquired or needed since inception for any claims. A valuation report is prepared by staff each year to estimate the amounts needed to pay prior and future claims and to establish the reserve. The Juvenile Welfare Board has designated a portion of the fund balance as a reserve for loss contingencies.

Activity in the designated balance for the year was as follows:

Beginning balance, October 1, 2000  
Additions  
Disability claims

\$

314,425  
40,674  
(13,897)

Ending balance September 30, 2001

\$

341,202

(e) Designated for Future Year's Expenditures

The fiscal 2002 Budget Resolution appropriated the amount of \$4,350,750 from the fiscal 2001 year ending fund balance for expenditures authorized in excess of anticipated revenue during fiscal year 2002 and for future years.

(d) Designated for Sick Leave Pool

The Board designated the Sick Leave Pool for Extended Illness ("SLPEI") to allow participating employees to be eligible for additional benefits while on short-term disability. Short-term disability begins either on the eighth day or when sick leave is exhausted if more than eight days of sick leave have been accumulated. If the participating employees have exhausted their sick leave during the initial seven (7) days of disability, the SLPEI may be used. In addition, the

SLPEI may be used to offset the difference between disability pay and full pay. Employees who participate in the SLPEI may withdraw up to 75 hours per incident.

(9)

#### Property Tax Revenue

JWB is a special taxing district, which is authorized to levy an ad valorem tax. The millage rate shall not exceed \$ I .00 for each S I ,000 of assessed valuation of all properties within Pine lias County. For the year ended September 30, 2001, a rate of .8 117 mills was assessed.

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(Continued)

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,JUVEL'\ILE WELFARE BOARD

#### Notes to Financial Statements

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September 30, 200 I

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Property taxes attach an enforceable lien on property as of March 1. Property taxes are levied on October I and become payable on November I of each year. A declining discount is allowed when taxes are paid during the following months: November - 4 percent, December - 3 percent, January - 2 percent and February - 1 percent. Taxes become delinquent on April I of each year and tax certificates for the full amount of any unpaid taxes must be sold no later than June I of each year. The Pine lias County Property Appraiser and Tax Collector administer the assessment and collection of taxes.

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Property Tax Calendar:

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January 1

Property taxes are based on assessed value as of this date as determined by the Pinellas County Property Appraiser Assessment roll validated by the Juvenile Welfare Board Millage resolution approved by the Juvenile Welfare Board of Directors Beginning of fiscal year for which taxes have been levied Property taxes due and payable Unpaid property taxes become delinquent Tax certificates are sold by the Pinellas County Tax Collector

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July 1

September 30

October 1

November 1

April 1

June 1

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(10) Non-Operating Expenditures

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The major components of non-operating expenditures are the commissions paid to the Pinellas County Property Appraiser and the Pinellas County Tax Collector. The budget of the Property Appraiser's office, as approved by the Department of Revenue, is the basis upon which taxing authorities of the county (except municipalities and the district school board) are billed by the Property Appraiser for services rendered. Each taxing authority is billed an amount that bears the same proportion to the total amount of the budget as its share of ad valorem taxes borne to the total levied for the preceding year. JWB paid \$324,861 to the Property Appraiser in the year ended September 30, 2001.

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The Tax Collector's actual costs of collection must not exceed 2 percent of the tax revenues collected.  
JWB's fee charges for the year amounted to \$400,068 or 1.31 percent of tax revenue collected.

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(11) Grant Contingency

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Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. 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 the grantor, cannot be determined at this time although the JWB expects such amounts to not be significant.

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Independent Auditors' Report on Compliance  
and on Internal Control Over Financial Reporting  
Based on an Audit of General Purpose Financial Statements  
Performed in Accordance With Government Auditing Standards

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Members of the Board  
Juvenile Welfare Board of Pinellas County, Florida:

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We have audited the general purpose financial statements of the Juvenile Welfare Board of Pinellas County, Florida, as of and for the year ended September 30, 2001, and have issued our report thereon dated December 7, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

(J)

### Compliance

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

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Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Juvenile Welfare Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses,

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This report is intended solely for the information and use of the members of the Board, management and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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December 7, 2001

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JUVENILE WELFARE BOARD

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Schedule of Expenditures of Federal Awards  
Year ended September 30, 200 I

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Federal Grantor/Pass Through Federal Grant or Federal Grantor/Program Title CFDA# contract number expenditures

U.S. Department of Agriculture:

Passed through Florida Department of Education  
Child Care Food Program 10.558 D-000I \$ 998.325  
Total U.S. Department of Agriculture 998.325

U.S. Department of Health and Human Services:

Passed through Florida Department of Children and Families  
Licensing Enhancement Program 93.575 QJ2A7 67,834  
Licensing Enhancement Program 93.575 EJ0BI 291.648  
Total Program 359.482

Passel/through Florida Department of Children and Families  
and the Pinel/as County School Board

Licensing Training Program 93.667 N/A 2,500  
Licensing Training Program 93.667 N/A 7.500  
Total Program 10.000

Total U.S. Department of Health and Human Services 369.482

U.S. Department of Justice:

Office of Juvenile Justice & Delinquency Prevention Program 16.458  
2000-JW-VX-K003 203.761

Total U.S. Department of Justice 203.761

Total Expenditures of Federal Awards \$ 1,571,568

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See accompanying notes to Schedule of Expenditures of Federal Awards.

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#### JUVENILE WELFARE BOARD

Notes to Schedule of Expenditures of Federal Awards

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Year ended September 30, 2001

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(1) Basis of Presentation

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The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Juvenile Welfare Board and its component unit, the Pinellas County License Board, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in

accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non.Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

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(2) Relationship to General Purpose Financial Statements

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Federal financial assistance is reported as intergovernmental revenue in the general purpose financial statements.

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Independent Auditors' Report on  
Compliance With Requirements Applicable to Each  
Major Program and Internal Control Over Compliance  
in Accordance With OMB Circular A-133

Members of the Board  
Juvenile Welfare Board of Pine Hias County, Florida:

Compliance

We have audited the compliance of the Juvenile Welfare Board of



Pinellas County, Florida with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2001. The Juvenile Welfare Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Juvenile Welfare Board's management. Our responsibility is to express an opinion on the Juvenile Welfare Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Juvenile Welfare Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Juvenile Welfare Board's compliance with those requirements.

In our opinion, the Juvenile Welfare Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2001.

#### Internal Control Over Compliance

The management of the Juvenile Welfare Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Juvenile Welfare Board's internal

control over compliance with requirements that could have a direct and material effect on a major

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Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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Schedule of Expenditures of Federal Awards

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We have audited the general purpose financial statements of the Juvenile Welfare Board of Pinellas County,

Florida, as of and for the year ended September 30, 2001, and have issued our report thereon dated December 7, 2001. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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This report is intended solely for the information and use of the members of the Board, management and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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December 7, 2001

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JUVENILE WELFARE BOARD

Schedule of Findings and Questioned Costs

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Year ended September 30, 2001

(I) Summary of Auditors' Results

(a) An unqualified opinion was issued on the general purpose financial statements.

(b) There were no reportable conditions or material weaknesses in internal control over financial reporting disclosed by the audit of the general purpose financial statements.

(c) There was no noncompliance which is material to the general purpose financial statements.

(d) There were no reportable conditions or material weaknesses in internal control over major programs.

(e) An unqualified opinion was issued on compliance for major programs.

(f) There were no audit findings which are required to be reported under Section .510(a) of OMB Circular A-133.

(g) Major programs:

CFDA #

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U.S. Department of Health and Human Services:  
Licensing Enhancement Program  
U.S. Department of Justice Office of Juvenile Justice:  
Delinquency Prevention Program

93.575

16.458

(h) A 5300,000 dollar threshold was used to distinguish between Type A and Type B programs.

(i) The auditee qualified as a low-risk auditee under Section .530 of OMB Circular A-133.

(2)

Findings Relating to the General Purpose Financial Statements Reported in Accordance With Government Auditing Standards

None.

(3)

Findings and Questioned Costs Relating to Federal Awards

None.

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Management Letter

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Members of the Board  
Juvenile Welfare Board of Pinellas County, Florida:

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We have audited the general purpose financial statements of the Juvenile Welfare Board of Pinellas County, Florida as of and for the year ended September 30, 2001, and have issued our report thereon dated December 7, 2001.

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We conducted our audit in accordance with generally accepted auditing standards in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. We have issued our independent auditors' report on compliance and internal control over financial reporting, independent auditors' report on compliance and internal control over compliance applicable to each major federal program, and schedule of findings and questioned costs. Disclosures in those reports and schedule which are dated December 7, 2001, should be considered in conjunction with the management letter.

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Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General Section 10.554(1)(g)1(a). Those rules require that, we address in the management letter, if not already addressed in the auditors' report on compliance and internal controls or in the schedule of findings and questioned costs, whether or not inaccuracies, shortages, defalcations, fraud and/or violations of laws, rules, regulations, and contractual provisions reported in the preceding annual financial audit report have been corrected. There were no inaccuracies, shortages, defalcations, fraud or violations of laws, rules, regulations, or contractual provisions reported in the preceding annual financial audit.

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The Rules of the Auditor General Section 10.554(1)(g)1(b) require that we address in the management letter, if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs, whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding annual financial audit.

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As required by the Rules of the Auditor General Section 10.554(1)(g)2, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Juvenile Welfare Board complied with Section 218.415, Florida Statutes.

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The Rules of the Auditor General Section 10.554(1)(g)3, require that we report any recommendations to improve the Juvenile Welfare Board's financial management, accounting procedures, and internal controls. There were no recommendations to improve the Juvenile Welfare Board's financial management, accounting procedures, and internal controls.

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The Rules of the Auditor General Section 10.554(1)(g)4 require disclosure in the management letter of the following matters if not already addressed in the auditors' reports on compliance and internal controls or schedule of findings and questioned costs: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred: (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements): (4) failure to properly record financial transactions: and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of the auditor. Our audit noted no matters requiring disclosure.

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The Rules of the Auditor General Section 10.554(1)(g)5, also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Juvenile Welfare Board was established by the Constitution of the State of Florida, Article VIII, Section I(d).



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As required by the Rules of Auditor General Section 10.554(1)(g)6(a), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, regarding financial emergencies. In connection with our audit, we determined that Juvenile Welfare Board is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes.

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As required by the Rules of the Auditor General Section 10.554(1)(g)6(b), we determined that the annual financial report for the Juvenile Welfare Board for the fiscal year ended September 30, 2001, filed with the Department of Banking Finance pursuant to Section 218.32, Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2001.

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As required by the Rules of the Auditor General Sections 10.554(g)6(c) and 10.556, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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This management letter is intended solely for the information of the Juvenile Welfare Board and management, and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

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December 7, 200 I

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