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Juvenile Welfare Board of Pinellas County

9-30-2002

JWB FY02 Audited Financial Statements-B

Juvenile Welfare Board of Pinellas County.

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JUVENILE WELFARE BOARD

Financial Statements
September 30, 2002
(With Independent Auditors' Report Thereon)

Action

Item III. A
Regular Meeting 01/09/03

T0:

Juvenile Welfare Board Members

FROM:

James E. Mills, Executive Director
Lisa Sahulka, Director of Programs & Finance
Sue Walterick, Finance Director

Requested Action

The Board is requested to accept by resolution the 2002 Annual
Financial Report
and the accompanying management letter.

Options

1. Accept the 2002 Annual Financial Report and accompanying management letter.
2. Reject and direct staff to proceed at the request of the Board.

Recommended Action

1. Accept the 2002 Annual Financial Report and the accompanying management letter.

Source of JWB Funds

Not applicable.

Fiscal Impact

Not applicable.

Narrative

Attached is a copy of the FY 2001-02 Annual Financial Report.

The firm of KPMG LLP completed the audit. The Annual Financial Report has been prepared consistent with applicable state statutes and the reporting standards of the Government Accounting Standards. This certifies the accuracy and integrity of the fiscal policies and procedures of the Juvenile Welfare Board.

This year, KPMG has no management letter issues to report.

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JUVENILE WELFARE BOARD

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Table of Contents

Independent Auditors' Report on the Financial Statements

General Purpose Financial Statements:

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

Unit

Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental

Fund Types and Discretely Presented Component Unit

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

General Fund

Statement of Revenues, Expenses, and Changes in Retained Earnings – All Proprietary Fund

Types

Statement of Cash Flows – All Proprietary Fund Types

Notes to Financial Statements

Combining Financial Statements:

Combining Balance Sheet – All Enterprise Funds

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings – All

Enterprise Funds

Combining Statement of Cash Flows – All Enterprise Funds

Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting

Based on an Audit of Financial Statements Performed in Accordance With Government

Auditing Standards

Supplementary Information:

Schedule of Expenditures of Federal Awards

Notes to Schedule of Expenditures of Federal Awards

Independent Auditors' Report on Compliance With Requirements

Applicable to Each Major

Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

Schedule of Findings and Questioned Costs

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Management Letter

Page

2

4

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P.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, 2002, 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, 2002, 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 13, 2002 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.

OUT audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Juvenile Welfare Board. 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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December 13, 2002

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JUVENILE WELFARE BOARD

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

September 30, 2002

Governmental
fund type

Assets

General

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

\$

8,853,390
476,882
212,748
2,434
16,677

\$

9,562,131

Liabilities and Equity

Liabilities:
Vouchers and accounts payable
Other payables
Accrued liabilities
Deferred revenue
Due to other funds
Due to component unit

Total liabilities

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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Enterprise

18,167

175,407

604,225

243,496

856,446

(727,902)

1,169,839

Internal
service

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190,800
2,137,396

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(478,602)

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1,849,594

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D Component

Account groups	Total	primary	Unit-	Totals
D General	8,853,390	8,853,390	9,865,020	
fixed long-term (memorandum County (memorandum only) assets debt only) License Board 2002 2001	495,049	155,397	650,446	693,860
	388,155	682	388,837	344,289
	2,434	2,434	7,400	
0	16,677	16,677	26,309	
	604,225	604,225	420,613	
	341,266	341,266	123,686	
	434,296	434,296	434,296	
D	2,993,842	2,993,842	2,922,570	
	458,528	458,528	247,015	705,543
				564,413

(1,206,504) (1,206,504) (1,091,656)
 266,130 266,130 121,125 387,255 416,370
 U 458,528 266,130 13,306,222 865,485 14,171,707 14,727,170
 U 3,026,700 64,900 3,091,600 4,512,629
 2,905 2,905 2,972
 U 266,130 396,711 163,670 560,381 560,796
 149,049 149,049 10,746
 604,225 604,225 420,613
 341,266 341,266 123,686
 D 266,130 4,520,856 228,570 4,749,426 5,631,442
 458,528 458,528 247,015 705,543 564,413
 0 1,820,771 1,820,771 1,902,957
 908,071 908,071 699,602
 0 2,028 2,028 2,028
 352,962 352,962 341 ,202
 1,983,457 1,983,457 1,850,750
 63,885 63,885 58,163
 D 3,195,664 389,900 3,585,564 3,676,613
 458,528 8,785,366 636,915 9,422,281 9,095,728
 458,528 266,130 13,306,222 865,485 14,171,707 14,727,170
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JUVENILE WELFARE BOARD

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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, 2002

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Component
 Unit-
 Pinellas
 Governmental County
 fund type- License
 general fund Board
 Revenues:
 Property taxes \$ 33,311,282
 Fees 110,081 91,812

Intergovernmental	411,543	1,397,584
Interest income	289,089	
Other	44,106	
Total revenues	34,166,101	1,489,396
Expenditures:		
Administration	4,104,951	
Childrens' programs	27,926,473	2,290,821
Nonoperating	1,066,169	
Capital outlay	94,964	112,979
Total expenditures	33,192,557	2,403,800
Excess (deficiency) of revenues over expenditures	973,544	(914,404)
Other financing sources (uses):		
Operating transfers	(999,593)	999,593
Total other financing sources (uses)	(999,593)	999,593
Excess (deficiency) of revenues over expenditures and other financing uses	(26,049)	85,189
Fund balances - beginning of year	5,624,045	304,711
Fund balances - end aryear	\$ 5,597,996	389,900

See accompanying notes to financial statements.

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Totals
reporting entity
(memorandum only)
2002 2001

33,311,282 30,626,157
201,893 174,246
1,809,127 1,920,205
289,089 898,000
44,106 44,459
35,655,497 33,663,067
4,104,951 3,985,033
30,217,294 29,057,754
1,066,169 1,177,602
207,943 108,708
35,596,357 34,329,097
59,140 (666,030)

59,140

5,928,756
5,987,896

(666,030)
6,594,786
5,928,756

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JUVENILE WELFARE BOARD

Statement of Revenues, Expenditures, and Changes in Fund Balance-
Budget and Actual- General Fund

Year ended September 30, 2002

	Variance			
	with final	Original Final Budgetary fa\ 'orable	budget hudget basis ~ actual (unfavorahle)	
	budget			
Revenues:				
Property taxes	\$ 33,201,616	33,201,616	33,311,282	109,666
Fees	66,000	66,000	110,081	44,081
Intergovernmental	840,150	840,150	411,543	(428,607)
Interest income	500,000	500,000	289,089	(210,911)
Other	12,853	12,853	44,106	31,253
Total revenues	34,620,619	34,620,619	34,166,101	(454,518)
Expenditures:				
Current:				
Administration	4,995,047	4,903,194	4,t04,951	798,243
Childrens' programs	29,143,665	29,180,819	27,926,473	1,254,346
Nonoperating	3,794,109	3,790,857	1,066,169	2,724,688
Capital outlay	94,964	94,964		
Total expenditures	37,932,821	37,969,834	33,192,557	4,777,277
Excess (deficiency) of revenues				
over expenditures	(3,312,202)	(3,349,215)	973,544	4,322,759
Other financing sources (uses):				
Operating transfers from JWB	(987,798)	(992,274)	(999,593)	(7,319)
Total other financing uses	(987,798)	(992,274)	(999,593)	(7,319)

Deficiency of revenues under
expenditures and other financing uses \$ (4,300,000) (4,341,489)
(26,049) 4,315,440
Fund balance – beginning of year 5,624,045
Fund balance – end of year \$ 5,597,996
See accompanying notes to financial statements.

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JUVENILE WELFARE BOARD

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Statement of Revenues, Expenses, and Changes in Retained Earnings _
All Proprietary Fund Types

Year ended September 30, 2002

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JUVENILE WELFARE BOARD

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Statement of Cash Flows –
All Proprietary Fund Types

Year ended September 30, 2002

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Cash flows from operating activities:
Operating income (loss)
Adjustments to reconcile operating income (loss)
to net cash provided by operating activities:
Depreciation
Decrease (increase) in due from
other agencies
Increase in due from other funds
Increase in accrued liabilities
Increase (decrease) in deferred revenue
Increase in due to other funds

Net cash provided by operating
activities

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Cash flows from capital and related financing
activities:

Acquisition of fixed assets

Net cash used in capital and related
financing activities

Net increase in cash and cash
equivalents

Cash and cash equivalents – beginning of year

Cash and cash equivalents – end of year

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See accompanying notes to financial statements.

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Enterprise

\$ 198,348

41,423

(175,407)

(183,612)

199

136,517

3,919

21,387

(21,387)

(21,387)

\$

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2002

(1)

Organization

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 Pinellas County voters in 1946. The purpose of JWB is to provide social services to children.

(2)

Summary of Significant Accounting Policies and Practices

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

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.

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.

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 board of directors of the Pinellas County License Board.

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, Pinellas Park, Florida 33781-5060.

(b) Basis of Presentation

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.

Governmental Fund Types

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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JUVENILE WELFARE BOARD

Notes to Financial Statements
September 30, 2002

Proprietary Fund Types

Enterprise Funds – Enterprise Funds are 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. The Board's Enterprise Funds consist of the following:

The Board has a lease agreement as a lessor on its 49'h Street office building, which expires in 2003. The building rent is billed to the Florida Department of Children and Families, which leases space in the facility.

The Board has an interlocal agreement with five Children's Services Councils in Florida, for utilization of the Services and Activities Management Information System (SAMIS). Licensing and usage fees are billed to JWB, Jacksonville Children's Commission, Palm Beach County, Martin County, and Broward County, which use the web base application.

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. The Board's Internal Service Fund consists of the following:

The Board has a lease agreement, as a lessor, on its Pinellas Park administrative office, facilities, which expires in 2003. The building rent is billed to the governmental funds for JWB departments, the Pinellas County License Board component unit, and the agencies of Coordinated Child Care and Headstart, all of which lease space in the facility.

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.

Account Groups

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

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

(c)

Measurement Focus and Basis of Accounting

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

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2002

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.

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.

(d)

Budget Process and Legal Compliance

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

- . 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.
- . Two formal public hearings are held to obtain taxpayers' comments.
- . Florida Statutes, Chapters 120 and 200 govern the preparation, adoption, and administration of JWB's annual budget.
- . 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 Pinellas County.
- . 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.
- . The annual budget serves as the legal authorization for expenditures. All unexpended appropriations lapse at fiscal year end.
- . Budgets presented for governmental funds in these financial statements have been prepared on the modified accrual basis of accounting.
- . Supplemental budget appropriations are sometimes necessary during the year. The Board authorized additional budget appropriations of \$41,489 during fiscal

2002.

(e)

Cash Equivalents

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

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2002

(j)

Fixed Assets

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.

(g)

Property and Equipment – Proprietary Funds

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:

Property classification

Buildings
Improvements
Furniture and other equipment

Estimated
useful life

30 years
10 years
10 years

(II)

Compensated Absences

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.

(i)

Use of Estimates

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 accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

(j)

Total Columns

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 accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

(k)

Summarized Financial Information for 2001

The financial information for the year ended September 30, 2001 presented for comparative purposes, is not intended to be a complete presentation. Certain reclassifications have been made to the 2001 financial statements to conform with the 2002 presentation.

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2002

(I) New Governmental Accounting Standards

The Governmental Accounting Standards Board (GASH) has issued Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, Statement No. 37, Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments - Omnibus and Statement No. 38, Certain Financial Statements Disclosures, all of which are effective for the Juvenile Welfare Board's fiscal year ending September 30, 2003. The Juvenile Welfare Board has not yet determined the impact of adopting these new accounting standards on its financial statements.

(3)

Cash and Cash Equivalents

Cash and cash equivalents included in the accompanying balance sheet consists of the following at September 30, 2002:

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

\$

100
8,095,418

757,872
8,853,390

\$

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.

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 \$757,872 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.

(4)

Changes in General Fixed Assets

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

	Balance	Balance		
Furniture, fixtures, and equipment	September 30,	September 30,	Additions	and Deletions and transfers 2002
JWB	\$ 400,538	100,093	(42,103)	458,528
PCLB	163,875	122,934	(39,794)	247,015
	\$ 564,413	223,027	(81,897)	705,543

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2002

(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 \$266,130 for JWB and \$121,125 for PCLB of accrued compensated absences at September 30, 2002, 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 September 30, 2001
Net additions/retirements

\$

416,370
(29,115)

387,255

Outstanding September 30, 2002

\$

(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 administered by the State of Florida, Division of Retirement. The plan is administered by the State of Florida. Contribution rates are established statewide for all participating governmental units. Accordingly, the actuarial information and related disclosures attributed to JWB's employees are not determinable.

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% 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% 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.

The system publishes an unaudited annual report that provides ten-year historical trend information about progress made in accumulating sufficient assets to pay benefits when due. This report may be obtained by writing to Research Education and Policy Section, 2639E North Monroe Street, Tallahassee, Florida 32399-1560, or assessing their Internet site at www.frs.state.fl.us/frs.public.pub.htrn. or by calling (850) 488-2872.

JWB is required to contribute an actuarially determined rate. 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 5.76% of covered payroll. The actuarially determined

contributions required and made by JWB for the years ending September 30, 2002, 2001, and 2000 were \$327,576, \$427,979, and \$469,477.

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2002

(7)

Operating Lease – Rent Income

The Board, as a lessor, has a lease agreement on its Pinellas Park administrative office facilities, which expires in fiscal 2003. 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, 2002:

Fiscal year ending (September 30

Internal

service fund

Enterprise
fund

2003

\$

207,778

127,176

(8)

Fund Equity

(a) Designated for Cooperman-Bogue

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

(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:

Ending balance September 30, 2001

Additions

Disability claims

Ending balance September 30, 2002

\$

341,202
30,637
(18,877)

352,962

\$

(c) Designated for Future Year's Expenditures

The fiscal 2003 Budget Resolution appropriated the amount of \$1,983,457 from the fiscal 2002 year ending fund balance for expenditures authorized in excess of anticipated revenue during fiscal year 2003 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

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2002

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 \$1.00 for each \$1,000 of assessed valuation of all properties within Pinellas County. For the year ended September 30, 2002, a rate of .8117 mills was assessed.

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

Property Tax Calendar:

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

July 1

September 30

October 1
November 1
April 1
June 1

(10) Nonoperating Expenditures

The major components of nonoperating 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 bore to the total levied for the preceding year. JWB paid \$333,022 to the Property Appraiser in the year ended September 30, 2002.

The Tax Collector's actual costs of collection must not exceed 2% of the tax revenues collected. JWB's fee charges for the year amounted to \$445,417 or 1.34% of tax revenue collected.

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2002

(11) Grant Contingency

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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JUVENILE WELFARE BOARD
Combining Balance Sheet - All Enterprise Funds
September 30, 2002
49th Street
Assets SAMIS Building Total
Due from other governments \$ 18,167 18,167

Due from other agencies	175,407	175,407
Due from other funds	604,225	604,225
Land and improvements	243,496	243,496
Building and improvements	856,446	856,446
Accumulated depreciation	(727,902)	(727,902)
Total assets \$	175,407 994,432	1,169,839
Liabilities and Equity		
Liabilities:		
Accrued liabilities \$	1,617	1,617
Deferred revenue	136,517	136,517
Due to other funds	3,919	3,919
Total liabilities	142,053	142,053
Equity:		
Contributed capital	311,939	311,939
Retained earnings, unreserved	33,354 682,493	715,847
Total equity	33,354 994,432	1,027,786
Total liabilities and equity \$	175,407 994,432	1,169,839

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JUVENILE WELFARE BOARD

Combining Statement of Revenues, Expenses and Changes in
Retained Earnings - All Enterprise Funds

Year ended September 30, 2002

49th Street
buildinl:

SM-IIS

Operating revenues:

Charges for services \$ 404,589

Operating expenses:

Personal services 78,417

Contractual services 262,527

Supplies 3,375

Repairs and maintenance 3,950

Other operating expenses 14,081

Depreciation

Total operating expenses 362,350

Operating income 42,239

Depreciation on contributed assets

Net income 42,239

Retained earnings - beginning of year (8,885)

Retained earnings - end of year \$ 33,354

218,010

20,478

41,423

61,901

156,109

24,250

180,359

502,134

682,493

18

Total

622,599

78,417

262,527

3,375

3,950

34,559

41,423

424,251

] 98,348

24,250

222,598

493,249

715,847

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JUVENILE WELFARE BOARD

Combining Statement of Cash Flows – All Enterprise Funds
Year ended September 30, 2002

SAL\IIS

49th Street
BuiIdin~

Cash flows from operating activities:
Operating income \$
Adjustments to reconcile operating income
to net cash provided by operating activities:
Depreciation
Increase in due from other agencies
Increase in due from other funds
Increase in accrued liabilities
Increase (decrease) in deferred revenue
Increase in due to other funds

42,239

156,109

41,423

(175,407)

(7,268)

136,517

3,919

(183,612)

7,467

Net cash provided by operating
activities 21,387

Cash flows from capital and related financing
activities:

Acquisition of fixed assets (21,387)

Net cash used in capital and related
financing activities (21,387)

Net increase in cash and cash
equivalents

Cash and cash equivalents – beginning of year

Cash and cash equivalents – end of year \$

19

Total

198,348

41,423

(175,407)

(183,612)

199

136,517

3,919

21,387

(21,387)

(21,387)

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

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

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We have audited the general purpose financial statements of the
Juvenile Welfare Board of Pine lias County, Florida,
as of and for the year ended September 30, 2002, aud have issued our
report thereon dated December 13, 2002. 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.

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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 13, 2002

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JUVENILE WELFARE BOARD
Schedule of Expenditures of Federal Awards
Year ended September 30, 2002

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	\$ 1,018,075
Total U.S. Department of Agriculture	1,018,075
U.S. Department of Health and Human Services:	
Passed through Florida Department of Children and Families	
Licensing Enhancement Program 93.575 QJ3B2	80,152
Licensing Enhancement Program 93.575 QJ2A7	198,768
Child Care Development Block Grant 93.575 N/A	88,031
Total Program	366,951
Passed through Florida Department of Children and Families and the Pinellas County School Board	
Licensing Training Program 93.667 N/A	10,000
Total U.S. Department of Health and Human Services	376,951
U.S. Department of Justice:	
Office of Juvenile Justice & Delinquency Prevention Program 16.458	
2000-JW-VX-K003	405,765
Total U.S. Department of Justice	405,765
Total Expenditures of Federal Awards	\$ 1,800,791

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
Year ended September 30, 2002

(1) Basis of Presentation

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-I33, 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.

(2) Relationship to General Purpose Financial Statements

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

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

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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, 2002. 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.

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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.

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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, 2002.

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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

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

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, 2002, and have issued our report thereon dated December 13, 2002. 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 13,2002

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JUVENILE WELFARE BOARD

Schedule of Findings and Questioned Costs
Year ended September 30, 2002

(1)

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 in 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.

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

(g) Major programs:

CFDA #

u.S. Department of Agriculture:
Child Care Food Program

10.558

(h) A \$300,000 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;

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, 2002, and have issued our report thereon dated December 13, 2002,

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and 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 13, 2002 should be considered in conjunction with the management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, Section 10.554(1)(g)(I)(a) of those rules require that, we address in the management letter, if not already addressed in the auditors' report on compliance and internal control 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.

The Rules of the Auditor General Section 10.554(1)(g)(I)(b) require that we address in the management letter, if not already addressed in the auditors' report on compliance and internal control 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.

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 control. 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' report on compliance and internal control 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.

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).

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.

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, 2002, filed with the Department of Banking and Finance pursuant to Section 218.32, Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2002.

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.

This management letter is intended solely for the information and use of the members of the Board, management, and the Auditor General of the State of Florida, and is not intended to be and should not be

used by anyone other than these specified parties.

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December 13,2002

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P.O. Box 1439
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December 13,2002

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

We have audited the financial statements of the Juvenile Welfare Board as of and for the year ended September 30, 2002 and have issued our report thereon dated December 13, 2002. Under generally accepted auditing standards, we are providing you with the following information related to the conduct of our audit.

We have a responsibility to conduct our audit in accordance with generally accepted auditing standards. In carrying out this responsibility, we planned and performed the audit of the Juvenile Welfare Board to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Because of the nature of audit evidence and characteristics of fraud, we are to obtain reasonable, not absolute, assurance that material misstatements are detected. We have no responsibility to plan and perform the audit to obtain reasonable assurance that misstatements, whether caused by error or fraud, that are not material to the financial statements are detected.

In addition, in planning and performing our audit, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control.

We also performed an audit, under Government Auditing Standard~ and Circular OMB Circular A-133, of the federal financial assistance programs that the Juvenile Welfare Board and its component unit, the Pinellas County Licensing Board, participated in during the year. Accordingly, we had the additional responsibility of issuing reports on:

- Compliance and on internal control over financial reporting, based on the procedures performed in connection with the audit of the financial statements.
- Compliance with requirements applicable to each major program and internal control over compliance.

The significant accounting policies used by the Juvenile Welfare Board are described in note I to the financial statements.

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In connection with our audit of your financial statements, we have not discussed with management any significant financial statement misstatements that have not been corrected in your books and records as of and for the year ended September 30, 2002.

There were no disagreements with management on financial accounting and reporting matters that, if not satisfactorily resolved, would have caused a modification of our report on the Juvenile Welfare Board financial statements.

We encountered no serious difficulties in dealing with management in performing our audit.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than this specified party.

v cry truly yours,

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