

University of South Florida St. Petersburg

Digital USFSP

JWB Agendas/Minutes/Historical Audits

Juvenile Welfare Board of Pinellas County

9-30-2006

JWB FY06 Audited Financial Statements-B

Juvenile Welfare Board of Pinellas County.

Follow this and additional works at: https://digital.stpetersburg.usf.edu/jwb_meetings

Ju...nl'-
W-'f.,. Board

Board of Directors Meeting

February 8, 2007

TIIE~--"Icec:a-"
--~

Approve Annual Financial Report

Item II.D.

Recommended Action: Approve the acceptance of the 2006 Annual Financial Report and the accompanying management letter.

Issue:

FY 0506 Completed Financial Audit Report

ProL,'l"am:

None

Budget Impact:

None

Strategic Plan Goal:

None

Background: Attached is a copy of the FY 2005-06 Annual Financial Report. The Board is asked to review and accept the Annual Audit Report and Management Letter.

The Report focus is on both the JWB as a whole (government-wide) and the major individual funds in order to allow the user to address relevant questions, widen comparison, and enhance accountability.

The sections are as follows: MD&A (Management Discussion and Analysis); Basic Financial Statements (Government-wide and Fund) along with the Notes to the Financial Statements; and Other required supplementary information.

The firm of Cherry, Bekaert and Holland, 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 during FY 0506.

Cherry, Bekaert and Holland have no Management Letter issues to report.

2/8/2007

The Community's Investment in Our Children

Page 8 of 71

U
I
o
D
D
D
o
D
D
D
D
D
D
o
D
I
I
D
D
U

Juvenile
WellareBollrd
.....c.....tl

services to children

JUVENILIi: WELFARE BOARD

Financial Statements and Schedules and
Reports as Required by OMS Circular A-133
September 30, 2006

u

JUVENILE WELFARE BOARD

D
D
D
D

Table of Contents

Report of Independent Auditors

Management's Discussion and Analysis (Unaudited)

Basic Financial Statements:
Government- Wide Financial Statements:
Statement of Net Assets
Statement of Activities

D
o
D
o
D
o
D
D
o
I
U
D
D
D

Fund Financial Statements:
Governmental Fund Financial Statements:
Balance Sheet – General Fund
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net
Assets
Statement of Revenues, Expenditures, and Changes in Fund Balance –
General Fund
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund
Balance of Governmental Funds to the Statement of Activities

Proprietary Fund Financial Statements:
Statement of Net Assets – Enterprise Funds

Statement of Revenues, Expenses, and Changes in Fund Net Assets –
Enterprise Funds
Statement of Cash Flows – Enterprise Funds

Notes to the Financial Statements

Required Supplementary Information:
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
General Fund (Budgetary Basis) (Unaudited)

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

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 on Internal Control Over Compliance in Accordance with OMB
Circular A-133

Schedule of Findings and Questioned Costs

Summary Schedule of Prior Audit Findings and Corrective Action Plan

Independent Auditors' Management Letter

Page

3

10

11

12

13

14

15

16

17

18

19

29

30

31

32

33

35

36

37

I
o
D
D
D
o
a
D
o
o
D
D
U
D
D
o
U
D
o

LB..
. .
. . .

CERTIFIED PUBUC
ACCOUNTANTS &
CONSULTANTS

Report of Independent AudItors

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Juvenile Welfare Board of Pinellas County, Florida (the "Board"), as of and for the year ended September 30, 2006, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Board's 2005 financial statements. Those financial statements were audited by other auditors whose report dated December 9, 2005 expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 basic 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board as of September 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and major governmental funds

for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2006 on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

D
D
D
D
D
D
D
o
U
D
D
I
D
i
D
o
D
D
U
o

The management's discussion and analysis and the budgetary comparison information as listed in the table of contents are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary

information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The introductory section, combining and individual fund financial statements and schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. In addition, the accompanying schedule of expenditures of federal awards for the year ended September 30, 2006 is presented for the purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. The combining and individual funds financial statements and schedules, including the schedule of expenditures of federal awards, have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole. The introductory and statistical sections of this report have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

c~ ~ ~ ;.#darXL,L,l,?

St. Petersburg, Florida
December 21, 2006

2

I

JUVENILE WELFARE BOARD
Management's Discussion and Analysis
September 30, 2006
(Unaudited)

D

o

As management of the Juvenile Welfare Board of Pinellas County (JWB) we offer the readers of the JWB's financial statements this narrative overview and analysis of the financial performance of JWB for the fiscal year ended September 30, 2006. It is designed to provide greater accountability to citizens and identify significant changes in financial position and overall results of operations. Readers are encouraged to consider the information presented here in conjunction with the JWB financial statements and footnotes that follow this section.

o

D

FINANCIAL HIGHLIGHTS

D

. JWB's total net assets increased by \$2,500,108 (or 26%).

D

. Governmental net assets increased by \$2,554,777 (or 38%) and business-type net assets decreased by \$54,669 (or 1.8%).

. Governmental activities revenue increased by \$6,498,250 (or 15%). The expenses increased by \$4,769,750 (or 11%).

o

. Business-type activities revenue increased \$238,973 or (or 24%). The expenses increased by \$305,801 (or 31%).

o

OVERVIEW OF THE FINANCIAL STATEMENTS

D

The focus of the financial statements is on JWB as a whole (government-wide) and the major individual funds allowing for comparisons and enhanced accountability. The sections are as follows: MD&A (Management's

Discussion and Analysis); Basic Financial Statements (Government-Wide and Fund Financial Statements) along with the Notes to the Financial Statements and Required Supplementary Information.

~

Government-wide financial statements. The government-wide financial statements present readers a broad overview of JWB's financial operations for the fiscal year in a manner similar to a private sector business. There are three categories included which are governmental, business-type and component unit. All of JWB's basic services are considered to be governmental activities, including administration and services to children and families. Property taxes finance most of these activities. Business-type activities are generally characterized by an exchange relationship, manifested by user charges that may be based on the costs of providing a particular service. The business-type activities include building rental operation management and statewide technology operation management (SAMIS and eLearning). Also shown is the component unit, Pine Bluff County License Board. It is a legally separate entity, however JWB is financially accountable for it and so it is also included in this report.

D

o

o

D

The Statement of Net Assets presents information on JWB's assets and liabilities, with the difference between the two being reported as net assets. Over time, changes in net assets (increases and decreases) may serve as a useful indicator of whether the financial position of JWB is improving or deteriorating.

D

The Statement of Activities presents the change in JWB's net assets during the fiscal year. Revenues and expenses are accounted for on the accrual basis of accounting in this report. Revenues and expenses are recorded when the underlying transaction occurs. Therefore, some revenues and expenses reported will result

in expenditures in future years (e.g. earned but unused vacation/sick leave). Depreciation for all capital assets is recorded also.

D

D

3

(Continued)

D

o

D

JUVENILE WELFARE BOARD
Management's Discussion and Analysis
September 30, 2006
(Unaudited)

~

Fund Financial Statements. A fund is a self-balancing group of accounts used to maintain control over resources intended to be used for specific purposes. JWB uses governmental and proprietary funds. The fund financial statements focus on major funds, not the JWB as a whole.

D

The governmental fund financial statements provide information based on current inflows and outflows of spendable resources and the balances available at the end of the fiscal year. These statements provide the detail to develop the budget or financial plan. They also allow for current budget compliance to be confirmed. A reconciliation of the governmental fund financial statements with the governmental activities included in the government-wide financial statements (prepared on the accrual basis of accounting) is provided at the end of the related financial statements to facilitate comparison. One element of the reconciliation is long term liabilities, which are not due and payable in the current period and therefore are not reported in the fund financial statements. The other is capital assets used in governmental activities which are not financial

resources and not reported in the fund financial statements.

o

D

D

~

The proprietary fund financial statements consist of enterprise funds used to account for business-type activities in the government-wide statements and are prepared using the accrual basis of accounting. The activities include JWB's ownership of the 49th Street and Pinellas Park Buildings. In addition, JWB collaborates with other Children's Services Councils in the development and implementation of the web-based data collections system, SAMIS and also the web-based training system, eLearning.

I

D

Notes to the Financial Statements. The notes provide additional information that is important to the reader in attaining a full understanding of the data presented in the financial statements,

o

Other Supplementary Information. In addition to the basic financial statements, this report also contains other required supplementary information. This includes the General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.

I

GOVelli\T\IENT-WIDE FINANCIAL ANALYSIS

The following table reflects the condensed Statement of Net Assets compared to the prior year. As of September 30, 2006, net assets totaled \$ 12.3 million.

JUVENILE WELFARE PROGRAM'S NET ASSETS

Governmental Activities Business-type activities Total primary Government

	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 15,899,935	\$ 12,455,027	\$ 1,399,708	\$ 1,346,456	\$ 17,299,643	\$ 13,801,483

Capital Assets	76,939	104,171	1,855,934	1,935,066	1,932,873
	2,039,237				
Total assets	15,976,874	12,559,198	3,255,642	3,281,522	19,232,516
	15,840,720				
Other liabilities	6,463,818	5,610,869	205,074	159,563	6,668,892
	5,770,432				
Long-term liabilities	294,676	284,726	1,493	18,215	296,169
	302,941				
Total liabilities	6,758,494	5,895,595	206,567	177,778	6,965,061
	6,073,373				
Net assets					
Invested in capital	76,939	104,171	1,855,933	1,935,066	1,932,872
	2,039,237				
Unrestricted	9,141,441	6,559,432	1,193,142	1,168,678	10,334,583
	7,728,110				
Total net assets	\$ 9,218,380	\$ 6,663,603	\$ 3,049,075	\$ 3,103,744	\$
	12,267,455	\$ 9,767,347			

4 (Continued)

D

D

o

D

D

D

D

D

D

D

D

D

D

JUVENILE WELFARE BOARD
Management's Discussion and Analysis
September 30, 2006
(Unaudited)

In 2006, investment in capital assets (land, buildings, furniture and equipment) represents 16 % of JWB's total net assets. JWB has no outstanding debt. Capital assets are used to provide services to the citizens of Pinellas

County and therefore are not available for future spending. Unrestricted net assets represent 84% of total net assets.

The following schedule reflects the condensed Statement of Changes in Net Assets compared to the prior year.

Total revenues for JWB increased by 15%, substantially from tax revenues. Total expenses increased by 12% over the prior year.

D
U
D
D

Revenues:

Program revenues:

Charges for services

Grants – operating

General revenues:

Property taxes

Unrestricted

investment

earnlllgs

!vfiscellaneous

Total revenues

I
~
B
o
D
D
D
D
D
o

Expenses:

Administration

Children & family

programs

SAMIS

eLearning

49th Street Building

Pine lias Park Building

Total expenses

Increase(decrease) in

net assets

Net assets beginning

Net assets ending

JUVENILE WELFARE BOARD'S CHANGES IN NET ASSETS
Governmental Business-type
Activities Activities

2006

s

52,852
493,713

2005

2006

2005

1,009,735

1,009,735

399,632
30,196
152,483
415,265
997,576

12,159
3,091,585
3,103,744 \$

Total
Primary Government

2006

2005

\$

1,301,560 \$
493,713

1,079,
721,

42,025,

547,

45,
44,420,

4,440,

38,143,
399,
30,
152,
415,
43,582,

\$

838,
8,928,
9,767,

48,264,500

1,068,238
29,984
49,909,287

4,938,184

42,416,326

47,354,510

\$

2,554,777
6,663,603
9,218,380 \$

5 70,114 \$
721,641

1,248,708 \$

48,264,500

1,068,238
29,984
51,157,995

4,938,184

42,416,326

653,877
67,147
101,552
480,801
48,657,887

2,500, I 08
9,767,347
12,267,455

Governmental activities. Due to the value of the taxable property base increasing, JWB's property tax revenues increased \$6.2 million or 15% over the prior year. JWB has not increased the property millage rate of .8117 since 1996.

42,025,852

547,511
45,919
43,411,037

1,248,708

Operating grant revenue decreased from \$721,641 to \$493,713 as a result of decreased funding from the Department of Juvenile Justice as the Safe Start program completes its 5th year of a 5 year program. JWB experienced an increase in investment earnings of \$520,727 due to interest rates and investment yields which continued on a strong, positive growth due to federal funds rate increases over the year.

4,440,926

38,143,834

42,584,760

653,877
67,147
101,552
480,80 I
1,303,377

826,277
5,837,326
6,663,603

(54,669)

3,103,744
\$ 3,049,075 \$

5

(Continued)

D

.JUVENILE WELFARE BOARD
Management's Discussion and Analysis
September 30, 2006
(Unaudited)

D

~

Revenues by Source - Governmental Activities

o

Unrestricted
Investment
Earnings -----
2%

Miscellaneous
0.1%

, I
, 1
, I
\1
\1

Charges for
services
0.1%

Grants -

u

o

Property taxes
97%

,." ~t'.
~ 1 [.
"" , ~1 . " , ~ u ~
" " " ~ , _ ' _ " " " _ , ~ ~W~
. , ! I ! , ~ ,

----- operating

1%

D

D

The total cost of governmental activities increased \$4,769,750 over the prior year. General government expenses include JWB's investment in children's program services and administrative expenses. The vast majority of the increase in expenses related to additional funding in the area of children's program services. Administrative staff continue to use cost saving measures to help counteract potential downturns in revenues. The increase in net assets for the year was \$2,554,777, reflecting an increase of \$1,728,500 from the prior year. A portion of unrestricted net assets is available to cover any deficit, which might occur within governmental activities.

~

D

I

Expenses and Program Itevcnucs - Governmental Activities

I

\$50.0
~ \$40.0
~
's \$30.0
.S
. \$20.0
~
" "
~ SIO.II
\$11.0

o

Administration

ChildrclIl..~ family
programs

D

D

c

Business-type activities. Net assets of business-type activities decreased by \$54,669. Charges for services increased by 24% from the prior year or by \$238,973. This was a result of increased rents on the buildings, eLearning participation and increases to the users of the Statewide SAM IS system. Expenses increased by \$305,801 or 31%. Expenses in SAM IS increased due to enhancements to the software, which accounts for the majority of the increase.

D

I

o

6

(Continued)

u

, JUVENILE WELFARE BOARD
Management's Discussion and Analysis
September 30, 2006
(Unaudited)

D

D

Both rental properties have lessees. Charges for the rental property have been negotiated to only address capturing real operating costs.

D

EXPELLSCS and Prol:mm nc\'cnues - Bu~illess-type Activities

6

700
600
i!! 500
c
:
:
, 400
0
,5
.E 300
~
.:! 200
"0
0
100

I

o

I:J F.xpernc
II Revemc

I

SAMIS

el.eaming

49th Street Pinellas P-drn.
Building Building

D

FINANCIAL ANALYSIS OF JWB'S FUNDS

The JWB uses fund accounting to display compliance with finance related legal requirements.

I

Governmental funds. Governmental funds provide a detail, short-term view of JWB's general government operations and the services provided. Governmental fund information helps determine the amount of short-

term financial resources available for JWB programs. The unreserved fund balance represents net resources at the end of the fiscal year available for discretionary or emergency spending.

D

I

The Balance Sheet – General Fund, found on page 12, reports the General Fund, which is the primary operating fund of JWB. It accounts for all governmental financial resources. At the end of fiscal year 2006, JWB's governmental fund balance was \$9.4 million. The unreserved portion of the fund balance consists of designations in the amounts of \$385,808 for disability benefits, \$83,537 for Catastrophic Sick Pool, \$1,805,730 for FY 06–07 budget, \$1,000,000 for Building purchase and \$2,028 for Cooperman–Bogue Award. The total fund balance includes an unreserved amount of approximately \$6.2 million available for emergencies and will also be used for cash flow in October and November 2006.

o

D

The Statement of Revenues, Expenditures, and Changes in Fund Balance, which is found on page 14, reflects the excess of revenues over expenditures. The fund balance increased by \$2,591,959 or approximately 38% in fiscal 2006.

I

c

Proprietary funds. These funds report service activity supported by customer user fees and are presented as business-type functions. The enterprise funds' financial information is the same as that presented in the government-wide financial statements under business-type activities.

D

I

7

(Continued)

I

D

, JUVENILE WELFARE BOARD
Management's Discussion and Analysis
September 30, 2006
(Unaudited)

o

o

Proprietary Funds II Highlights

Net assets of the 49th Street building fund increased by \$136,787 due to scheduled increases in rent.

D

Net assets of the Pinellas Park building fund decreased by \$89,590 due mostly to depreciation charges not being included in the lease calculations.

D

Net assets of the SAMIS fund decreased by \$142,872 due to contractual charges for system enhancements.
The SAMIS fund represents 4% of the total net assets and holds a balance for future technology needs.

I

Net assets of the eLearning fund increased by \$40,916 due to increased participants in the web-based training program.

o

The net assets of the building funds are \$2,922,037. Of that amount, \$1,096,336 in the two Building Funds is available to cover liabilities and other capital improvements necessary for the buildings. Future capital improvements have been identified for the Pinellas Park building, which will be done within the next year. Pending Board approval, these improvements will be purchased using dollars available in unrestricted fund balances in the fund.

I

u

General Fund Budget IIighlights

o

The JWB Board revised the budget of the General Fund one time during the year for an overall increase in appropriations of \$165, 154. This increase was completed by two Board Actions during the fiscal year to accept grant dollars to conduct a research project in the Safe Start program and to expand children and families programs.

o

The Schedule of Revenues, Expenditures, and Changes in Fund [Jalance - Budget to Actual, which is found on page 29, reflects actual expenditures to budget were \$6.9 million less than the final budget amounts. A Board emergency reserve of \$3.4 million that is contained in the budget, results in an actual lapse of \$3.5 million.

D

JWB funded children's services for 65 agencies and 132 programs in the amount of \$42.4 million.

I

JWB received \$446,517 from the Office of Juvenile Justice and Delinquency Prevention for the Safe Start program.

D

CAPITAL ASSETS AND DEBT ADMINISTRATION

o

Capital assets. JWB's investment in capital assets for the governmental and business-type activities is \$1.9 million, net of accumulated depreciation. The chart below includes land, buildings, improvements, and equipment net of accumulated depreciation.

JLIVEi\ 'ILE WELFARE nOARIL'S CAI'ITAL ASSETS

o

Governmental Activities

Assets and Liabilities Total primary Government

2006 2005 2006 2005

434,296 \$ 434,296 \$ 434,296 \$ 434,296

1,365,096 1,442,796 1,365,096 1,442,796

56,542 57,974 11,481 162,145

1,855,934 \$ 1,935,066 \$ 1,932,873 \$ 2,039,237

(Continued)

2006

2005

~

Land

Buildings and

improvements

Machinery and

equipment

Total

\$

\$

\$

I

76,939

\$ 76,939

\$

\$

104,171

104,171

8

u

I

o

. JUVENILE WELFARE BOARD
Management's Discussion and Analysis
September 30, 2006
(Unaudited)

D

D

Governmental activities. JWB's capital technology expenditures in fiscal 2006 included costs for computer hardware and software. The decrease in related capital assets was due to the retirement of some obsolete equipment and current year depreciation expense.

I

Business-type activities. These include land and buildings that are rented to external users. There were no capital improvements made during this fiscal year; the decrease is due to current year depreciation along with the addition of some new equipment.

~

Long-term liability administration detail can be found in Note 7 on page 26. JWB's long-term obligations include accrued vacation and sick leave pay. JWB has no long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

D

The JWB considered several factors in preparing the JWB's fiscal year 2006-2007 budget. Pinellas County has experienced a period of growth in property values and the tax base. Over the last three fiscal years, property values have increased by up to 20%. In fiscal year 2005-2006, the county's property values stood at \$62.9 billion; the current valuation for fiscal year 2006-2007 is \$75.7 billion, an overall increase of 20.3% and an increase of \$9 million in tax revenue to JWB. The increase in ad valorem revenues has facilitated the Board's ability to respond to critical community need and the opportunity to further implement its Strategic Plan. The majority of ad valorem revenues are focused on the continuation of ongoing programs and the implementation

of the Board's Strategic Plan. Significant investments have been proposed in the areas of child care, family support, prevention efforts aimed at reducing entry into the child welfare system, advancement of after-school and summer academic enrichment initiatives, and program expansion funding.

I

I

o

I

The adopted fiscal year 2006-2007 budget reflects a sufficient funding level] to support the major initiatives of JWB, but is conservative in its use of tax dollars. The parameters for the budget were developed to assure the successful implementation of the Board's Strategic Plan Initiatives. For fiscal year 2007, the budget reflects a decrease to .7963 mills from the prior year millage rate of .8] 17 mills.

D

The overall operating budget is \$65 million, an increase of 18% over the budget for fiscal year 2006, which is primarily targeted at increasing services to children and families.

D

REQUESTS FOR INFORMATION

I

The JWB' s financial statements arc designed to present users (citizens, taxpayers) with a general overview. If you have questions about this report or need additional financial information, contact Juvenile Welfare Board Finance Department, 6698 68th Avenue North, Pinellas Park, FL 33781 or visit our website at: www.jwbpinellas.org.

D

D

D

D

9

D

~

I JUVENILE WELFARE BOARD

Statement of Net Assets

September 30, 2006

D with comparative summarized financial information for 2005

COLLRO~nl I'rimuy

I Primal").' ~o\ 'e.rlllllent Ullit Glwernmenl

Gonrnmtal Busines-fYIII' 2006 l'indJasCollnl}' 2005

,\ssels activities acfiyities Total Linusr Board Total

D Cash and cash equivalent \$ 5,532,097 \$ \$ 5,532,097 \$ \$ 3,156,679

Investments] 1,144,736 11,]44,736 9,978,185

Due from other governments 4]2,143 61,506 473,649 90,168 405,874

D Due from other agencies 113,035 11l,035 227,817

Recei\ 'abJcs 6,570 6,570 836 8,293

Deposits 29,556 29,556 24,615

Internal balances (1,338,202) 1,338,202

I Due from primary government 270,285

Capital assets (nI'l of accumulated depreciation)

Non-depreciable 434,296 434,296 434,296

0 Depreciable, net of accumulated depreciation 76,939 1.421,638

1,498,577 23,145],604,941

Total assets 15,976,874 3,255,642 19,232,516 384,434 15,840,720

D l.iabilitits

Agency payables 5,557,916 5,557,916 5,032,038

Accounts payable 497,314 30,({)() 527,314 50,332 285,210

i Other payables 72,954 72,954 21,525

Accrued liabilities 63,069 18,766 81,835 21)]5 59,751

Deferred re....enue 2,280 156,308 158,588 172,466

Due to component unit 270,285 270,285 199,442

D Long.tcn liabilities:

Due \\'ithin one year 24,536 24,536 6,975 17,372

Due in more than one year 270,140 1,493 271,633 158,272 285,569

D Totalliahilitles 6,758,494 206,567 6,965,061 236,794 6,073,373

Nl'lAssets

D Invested in capital assets 76,939 1,855,933 1,932,872 23,145

2,039,237

Unrestricted 9,141,44]],193,142]0,334,583 124,495 7,728,110

Total net assets \$ 9,218,380 S 3,049,075 .\$ 12,267,455 \$ 147,640 \$

9.767,347

~ The notes to the financial statements are an integral part of this statement,

U

0

0
D
10
0

I

JtJVENlte WEU'ARE 1I0AIUL

~

Statement of Activities

Year ended September 30, 2006

with comparative summarized financial information for 2005

D

B

	2005	2006	NetC(uprllse)	revenueRn"
.....l'I(npense)re\l'llUeand				
,hanl:l'~ in net assels				cnangninel
l'roe:rlmrt\l'llul'S I'rimar,-l:l'Iurnml'nt				Com~nl'ntllnit
a.'stls				
Ol, tratilll!				
Cllargl'sfnr granband Gn,'emr'nlal nusiness-I}'pl.'				
Pinl'l'llsCollnty I'rimarJ'				
J."unctillns/proe:nllll'l Expense's				svuces contributions acth'jties
l/.cti,jties Total License B0ll.nJ				Governmentl
Primary go\ernment				
Gm-emmentalacIj\ 'ities'				
Adminislrati0n S	4,938,184	S	52,852	S S (4,885,332) S (4,885,332)
S ,	(4,370,812)			
Children and familyprograrns	424]6326		493.713	(4L922613) (4]922613) (37.422 19])
T0lal go\emmentalactivities	47,354,510		52,852	493.713 (46807,945) (46,807,945) (41,793,005)
Business-type activities				
5M115	653,877	511,095	(142,782)	(142,782) 28,872
eLearning	67,147	108,063	40,916	40,916 (27,413)
49thStreel Building	101,552	238,339	136,787	136,787 55,481
Pinellas Park Building	480,801	391,211	(89,590)	(89,590)
(44,781)				
T0lal bl'lSiness.type acti,'ilies	1.303,377		1248,708	(54,669)
(54,669)]2,159			
T0lal primary government ,	48657,887	1301,560	493,713	(46,807,945)
(54,669)	(46,862,614)	(41,780,846)		

Component unit:

Pinellas County License Board , 2,261,607 , 73,953 , 2,154,746
(32,908)

General revenues:

Property taxes 48,264,500 48,264,500 42,025,852

Investment income 1,068,238 1,068,238 547,511

Miscellaneous 29,984 29,984 1,511 45,919

Total general revenues 49,362,722 49,362,722 3511 42,619,282

Change in net assets 2,554,777 (54,669) 2,500,108 (29,397)
838,436

Net assets—beginning of year 6,663,603 3,103,744 9,767,347
177,037 8,928,911

Net assets—end of year 9,218,380 , 3,049,075 , 12,267,455
147,640 , 9,167,347

The notes to the financial statements are an integral part of this statement

D

D

o

o

o

o

o

u

u

D

D

D

D

D

II

D

o
D
o
D
o
D
U
o
D
D
D
D
D
o
D
o
o
o
D
U

. JUVENILE WELFARE BOARD

Balance Sheet - General Fund

September 30, 2006

(with comparative financial information for 2005)

Assets 2006 2005

Cash and cash equivalents \$ 5,532,097 \$ 3,156,679

Investments 11,144,736 9,978,185

Due from other governments 412,143 405,298

Due from other agencies 113,035 227,837

Receivables 6,570 8,293

Deposits 29,556 24,615

Total assets \$ 17,238,137 \$ 13,800,907

Liabilities and Full Balance

Liabilities:

Agency Payables \$ 5,557,916 \$ 5,032,038

Accounts payable 497,314 285,210

Other payables 72,954 21,525

Accrued liabilities 63,069 56,496

Deferred revenue 2,280 16,158

Due to other funds 1,338,202 1,345,880

Due to component unit 270,285 199,442

Total liabilities 7,802,020 6,956,749

Fund balance:

Designated for Cooperman-Bogue 2,028 2,028

Designated for disability benefits 385,808 372,760

Designated for future years' expenditures 1,805,730 1,678,977

Designated for sick leave pool 83,537 79,518

Designated for Building purchase 1,000,000

Undesignated, unreserved 6,159,014 4,710,875

Total fund balance 9,436,117 6,844,158

Total liabilities and fund balance \$ 17,238.137 \$ 13,800,907

The notes to the financial statements are an integral part of this statement.

12

o

JUVENILE WELFARE BOARD

D

Reconciliation of the Balance Sheet of (.:iovemental Funds
to the Statement of Net Assets

u

September 30, 2006
(with comparative financial informalion for 2005)

D

I

Total fund balance - governmental [und

Amounts reported for governmental activities in the statement
of net assets arc different because:
Capital assets used in governmental activities arc not financial
resources and, therefore, are not reported in the fund
Compensated absences are long-term liabilities thaI arc not due and
payable in the current period and are therefore not reported in the
fund

Net assets of governmental activities

o

o

The notes to the financial statements are an integral part of this
statement.

D

~

o

D

D

I

D

D

m

D

[;I",

..

13

D

2006

\$

9,436,117

76,939

\$

(294,676)

9,218,380

2005

\$ 6,844,) 58

104.171

(284,726)

\$ 6,663,603

D

I

D

D

o

D
D
D
D
D
D
~
U
I
I
D
U
U
D

. JUVENILE WELFARE BOARD
Statement of Revenues, Expenditures, and Changes in Fund Balance -
General Fund
Year ended September 30, 2006
(with comparative financial information for 2005)

	2006	2005
Revenues:		
Property taxes (net of fees)	\$ 48,264,500	\$ 42,025,852
Fees	52,852	70,114
Intergovernmental	493,713	721,641
Interest income	1,068,238	547,511
Other	29,984	45,919
Total revenues	49,909,287	43,411,037
Expenditures:		
Administration	4,868,577	4,360,516
Children's programs	42,416,326	38,143,834
Capital outlay	32,425	34,021
Total expenditures	47,311,328	42,538,371
Net change in fund balance	2,591,959	872,666
Fund balance - beginning of year	6,844,158	5,971,492
Fund balance - end of year	\$ 9,436,117	\$ 6,844,158

The notes to the financial statements are an integral part of this statement.

14

u

~

JUVENILE WELFARE BOARD

I

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance
of Governmental Funds to the Statement of Activities
Year ended September 30, 2006

(With comparative financial information for 2005)

o

2006 2005

Net change in fund balance – General Fund \$ 2,919,959 \$ 872,666
 Amounts reported for governmental activities in the statement
 of net assets are different because:
 Capital outlays are reported as expenditures in the governmental fund.
 However, the cost of these assets is allocated over their estimated
 useful
 lives and reported as depreciation expense in the statement of
 activities. In
 the current period these amounts are:
 Capital outlay 32,425 34,021
 Depreciation expense (59,657) (82,608)
 Compensated absences expense reported in the statement of activities
 does
 not require the use of current financial resources and therefore is
 not
 reported as an expenditure in the governmental fund (9,950) 2,198
 Change in net assets in governmental activities \$ 2,554,777 \$ 826,277

u

D

o

o

D

The notes to the financial statements are an integral part of this
statement.

D

~

~

D

D

D

D

u

D

c

15

o

.IIJVENILE WELFARE 110AIUL

D

Stalemcnl orNet Assets - Enterprise Funds
Septemhcr 30, 2006
(with comparative financial information for 2005)

o

	~9th Street	Pinellas Park	2006	2005		
	SMIIS	elc:lrnin~	Buildin!	Buildill~	Total	Total
Assets						
Current assets:						
Other Receivables	\$ 37,733	\$ 23,773	\$ -	\$ 61,506	\$ 576	
Due from other funds	184,763	19,730]	,230,883	1,435,376	
	1,465,385					
Noncurrent assets:						
Land and improvements	243,496	190,800	434,296	434,296		
Building and improvements	856,447	2,\37,396	2,993,843			
	2,993,842					
Furniture, fixtures, and equipment	56,513	16,880	16,458	89,851		
	87,390					
Accumulated depreciation	(26,281)	(858,858)	(776,917)	(I ,		
	662,056)	(I ,580,462)				
Total assets	252,728	43,503	1,488,848	1,567,737	3,352,816	3,40],
	027					
Liabilities						
Current liabilities:						
Accounts Payable	30,000	30,000				
Accrued liabilities	1,]83	17,583	18,766	3,255		
Deferred revenue	\36,517	19,791	156,308	156,308		

Due to other funds	97,174	97,174	119,505		
Noncurrent liabilities:					
Accrued absences	1,493	1,493	18,215		
Total liabilities	39,193	30,000	19,791	114,757	303,741
Net assets					
Investment in capital assets	30,232	257,965	1,567,736	1,855,933	1,935,066
Unrestricted (deficit)	83,303	(3,503)	1,211,092	(114,756)	1,193,142
Total net assets	\$ 113,535	\$ 13,503	\$ 1,469,057	\$ 1,452,980	\$ 3,049,075
					\$ 3,103,744

The notes to the financial statements are an integral part of this statement.

o
I
o
I
u
D
D
D
D
I
D
I
I
D
I
16
o

D

I

D

. JUVENILE WILFAHE BOARD
 Statement of Revenues, Expenses, and Changes in Fund Net Assets-
 Enterprise Funds

Year ended September 30, 2006

(.....ith comparative financial information for 2005)

..91h Sfreet Pincllas Park 2006 2005

SA!\IIS eLearuill~ Buildin~ Buildinf Total Total

Operating revenues:

Charges for services \$ 5]],095 \$ 78,063 \$ 238,339 S 39],2]] \$

1.21IPOil \$ 1,009,735

Operatmg expenses

Personnel services 94,03]]09,793 203,824]89,099

Contractual services 519,104 66,5]) 29,399 8],56] 696,577

372,973

Utilities]2,27] H,086 127,630 176,987 140,147

Supplies 337 264],05]]4,055 15,707]8,75]

Repairs and maintenance]00 300]9,264 49,99] 69.655 122,694

Other operating expenses 4,]60 70 8,063]6,057 28,350 36,402

Depreciation]],]49 6,689]7,839 35,677 134,551

Total operating expt'nses 64],]52 67,147 101,552 416,926

1,226,777 1,014,611

Operating income (loss) (]30,057) 10,9]6]36,787 (25,7]5)

(8,069) (4,882)

Capital asset contributions (]2,725) 30,000 (63,875) (46,600)

17,04\

Change in net assets (]42,782) 40,9]6 136,787 (89,590) (54,669)

12,159

Net assets - beginning of year 256,3]7 (27,413)],332,270] ,

542,570 3,]03,744 3,09],585

Net assets - end of year \$]]3,535 \$]3,503 \$],469,057 \$],452,980 S

3,049,075 S 3,103,744

The notes to the financial statements are an integral part of this statement.

o

o

u

I

u

o
I
o
D
I
I
D
c
m
u
D
17

I

I

.ILLIENILE \VETFARF. HOARO
Statement of Cash Flows – Emerprise Funds
Year ended September 30, 2006
(with comparative summarized financial information for 2005)
~91h Street I'ioellas Park 200(, 200S
SA1\IIS eLearnin!:: Uuitdin~ Building Total Total
Cash flows from operating activities:
Receiplsfrom customers S 548,828 S 101,836 S 238,339 S 391,2]1
1,280,214 S 1,15],094
Pa>1nenlS 10 vendors (536,364) (37,]47) (94,863) (276,173)
(944,547) (695,956)
Pa)lnenlS 10 employees (97,068) (123,320) (220,388) (190.198)
Net cash provided by (used in) operating activities (~,604) 64,689
14],476 (8,282) 115,279 264,940
Cash flows from noncapital financing activities
Decrease (lncrease) in due from other funds 176,334 (7,683)
(265,090) (230) (96,669) (224,636)
Net cash provided by (used in)
noncapital financing acti\ities 176,334 (7,683) (265,090) (23U)
(96,669) (224.636)
Cash Ilows from capital and related financing activities

Acquisition of capital assets	(91,730)	(57,006)	121,614	8,512
	(18,610)	(40,304)		
Net cash provided by (used in) capital and related financing activities	(91,730)	(57,006)	121,614	8,512
	(18,610)	(40,304)		
Cash and cash equivalents - beginning of year				
Cash and cash equivalents - end of year	S	S	S	S
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Cash flows from operating activities:				
Operating income (loss)	S (130,057)	S 10,916	S 136,787	, (25,715) S
	(8,069)	S (4,882)		
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	11,149	6,689	17,839	35,677
Decrease in due from other agencies/governments	37,733	23,773		61,506
Increase in accounts payable		30,000		30,000
Increase (decrease) in accrued liabilities			(392)	13,121
	12,729	14,802		
Decrease in accrued absences	(3,037)		(13,527)	(16,564)
Total adjustments	45,453	53,773	6,689	17,433
Total cash provided by operating activities	S (84,604)	, 64,689	143,476	
	S (8,282)	, 15,279	S 264,940	

The notes to the financial statements are an integral part of this statement.

o
o
o
D
o
D
~
I
D
~
~
D

I

D

o

I

18

D

u

I

I

D

(I)

D

D

(2)

D

D

I

D

u

I

D

D

D

I

B

D

6

, JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2006

Organization

The Juvenile Welfare Board of Pinellas County, Florida (the Juvenile Welfare Board or JWB) was established by Legislature through Chapter 23.483 Special Acts of 1945, and codified in the Laws of Florida Chapter 2003-320. The Juvenile Welfare Board supports the healthy development of all children and their families in Pinellas County through advocacy, research, planning, training, communications, coordinating of resources, and funding.

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 of all 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. Each year JWB provides significant fund transfers to the component unit to support its operations. Its financial data is reported in a separate column to emphasize that it is legally separate from JWB.

The Pinellas County License Board (PCLBJ), 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 and operations of PCLB and has accountability for fiscal
matters of the PCLB. One
JWB Board member is also appointed as a member of the board of
directors of the Pinellas County
License Board.

Separate financial statements are not prepared for PCLB, however, 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

Government- Wide Financial Statements
The statement of net assets and the statement of activities report
information on the primary
government and its component unit. Eliminations have been made to
reduce the effect of interfund
activities. These statements distinguish between governmental
activities, normally financed
through taxes, intergovernmental revenues and other nonexchange
activities and business-type
activities, which normally are financed by fees charged.

The statement of activities presents comparison of direct expenses and
program revenues for each
business-type or governmental activity of JWB. Direct expenses are
those associated with a
specific function or program. Program revenues include: (a) charges
for services paid to JWB for

19

(Continued)

D

JUVENILE WELFARE BOARD

D

Notes to Financial Statements

September 30, 2006

D

goods or services and (b) operating grants and contributions for the support of a particular program. General revenues include property taxes and other revenue not classified as program revenue.

D

Fund Financial Statements

D

The fund financial statements provide information about all of JWB's funds. Separate financial statements are presented for governmental and proprietary fund categories. Separate columns are presented for each major governmental and enterprise fund.

u

JWB reports the following major governmental funds:

D

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

u

JWB reports the following major enterprise funds:

SAL\LLS –The Board has an interlocal agreement with five Children's Services Councils (CSC's) 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, each of which use the web based application.

o

o

eLearning- JWB eLearning began March 1, 2005 as a partnership with four CSC's and 10 JWB funded agencies. eLearning offers an alternative method for delivering training in a cost effective manner. It allows a person to access training classes over the web when convenient, without extended periods away from the office. The fees generated from partnership support the operation and development of a majority of the courses requested.

o

49th Street Building - The Board has a lease agreement as a lessor on its 49th Street office building. The building is rented to Worknet Pinellas, Inc. through a lease which expires in fiscal 2008.

o

o

Pinellas Park Building -The Board has lease agreements, as a lessor on its Pinellas Park administrative office facilities, which expire in fiscal 2006. 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.

D

(c) Measurement Basis of Accounting

D

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when it is earned, and expenses are recognized when they are incurred, regardless of the timing of related cash flows. Nonexchange transactions include property taxes and grants. Property taxes are recognized as revenue in the fiscal year for which taxes are levied. Grants are recognized in the fiscal year in which all eligibility requirements are met.

D

D

Governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. JWB uses the modified accrual basis of accounting for their general fund. Under the modified accrual basis of accounting, revenue is recognized when measurable and available. Revenues are considered available when they are

D

D

20

(Continued)

D

D

D

D

D

D

D

D (e/)

U

U

D

I

I

I

D

D

D

D

D

JUVENILE WELFARE HOARD

Notes to Financial Statements

September 30, 2006

collected within the current period or within 60 days after year end. Property taxes, fees, and

interest are considered susceptible to accrual. Grant revenues are recognized when eligibility requirements are met and related amounts are available from the grantor. Expenditures are recorded when the fund liability is incurred, except for compensated absences that are recognized when due.

JWB, under Governmental Accounting Standards Board (GASB) No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting, applies 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, for its government-wide and proprietary fund activities.

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 used 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 program level. 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

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 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. Expenditures for Tax Collector and Property Appraiser fees are budgeted as nonoperating but for financial statement purposes are offset against the related property tax revenues. Certain technology fees are also budgeted as nonoperating but for financial statement purposes are included as administration expense.

. Supplemental budget appropriations are sometimes necessary during the year. The Board authorized additional budget appropriations of \$165,154 during fiscal 2006.

21

(Continued)

D

. JUVENILE WELFARE BOARD

D

Notes to Financial Statements

I

September 30, 2006

D

(e) Cash and Cash Equivalents

Cash and 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.

u

(j) Investments
Investments are reported at fair value.

D

(g) Capital Assets

Capital assets include property and equipment and are reported in the governmental and business-type activities of the government-wide financial statements and the enterprise fund financial statements. 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 at estimated fair value at the date of donation.

u

o

o

Depreciation is provided using the straight-line method over the following estimated lives:

~

Properly classification
Buildings
Improvements

Estimated
useful life
30 years
Remaining life
of the building
5-7years
3 years

D

Furniture and other equipment
Computer equipment

D

(") C0lllpellSl/let! Absellces

lt is JWB and PCLB' s policy to permit employees to accumulate a limited amount of eamed but unused vacation and sick-pay benefits, which will be paid to employees upon separation from JWB service. The governmental funds record expenditures for compensated absences as they become due and payable. Compensated absences are accrued when earned in the government-wide and proprietary fund financial statements.

D

D

(i) Fuud Balallce

D

Designations of governmental fund balances represent tentative plans for future use of financial resources.

D

0J Operatillg Re.'ellues aut! Expellses

u

Operating revenues and expenses generally result from providing services in connection with JWB' s enterprise fund activities. The principal operating revenues relate to rental income on their two building facilities and technology fees associated with SAMIS. Operating expenses include the cost of providing these services and depreciation expense on capital assets. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

D

22

(Continued)

D

D
~
D

D
m
D

D
D
D

D
D
D
D
D
D
B
D
D
U
D

(4)

JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2006

(k) 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.

(I) Summarized Financial Information for 2005

The financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in

conjunction with the
Juvenile Welfare Board's financial statements for the year ended
September 30, 2005, from which
the summarized information was derived.

(3)

Cash and Cash Equivalents

JWB maintains a cash pool for the deposits of all governmental and
enterprise funds and the
component unit. Each funds' portion of these balances is shown on the
respective balance sheet or
statement of net assets as "due to/from other funds." Earnings from
pooled cash are maintained in the
general fund.

The bank and book balances were as follows at September 30, 2006:

Deposits with commercial banks (book balance)
Petty cash

\$ 5,531,947

150

\$ ~ill,0.21

\$5585083

Bank balance of deposits in commercial banks

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 of Florida to ensure no loss of public
funds.

Investments

At September 30, 2006, the Juvenile Welfare Board had the following
investments:

Fair

Uninvested cash in AmSouth
Florida State Board of Administration
Mortgage Backed Securities

Value
\$4,107,226
548,630
6,488,880

October 6, 2006
October 23, 2006
November 15, 2006

58.7%
100.0%

Maturities

Percentage
36.4%
4.9%

Total

\$11.144736

23

(Continued)

I
D
D
o
D
D
D
D
o
D
D
D

o

o

(5)

I

o

D

o

~

JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2006

Custodial Credit Risk

JWB's investment policy stipulates that all investments are acquired in accordance with the rules of the Department of Insurance Division of Treasury which establishes procedures for the administration of the "Florida Security for Deposits Act," which is encompassed in Chapter 280, Florida Statutes. JWB's investment policy lists the authorized investment types as well as the minimum allowable credit rating for each investment type. Investments in commercial paper must have a rating of either Moody's or Standard and Poor's of A1P1 (prime I commercial paper) or better at the time of purchase.

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 \$548,630 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. The investments are not classified as to custodial risk as they are not evidenced by securities that exist in book or entry form. The State Board 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. The State Board fund is not rated.

The other investments noted above are held in the name of the Juvenile Welfare Board by a third-party custodian (a commercial bank) in an investment account. The investments are neither insured nor collateralized and are stated at fair value. All rated investments were rated A 1/1'1 or better.

Interest Rate Risk

To maintain liquidity and limit exposure to fair value losses, JWB's investment policy limits operating funds to maturities of three years or less. Investments are expected to be prudent and to minimize default risk.

Portfolio Allocation Risk

JWB's investment policy establishes the following investment diversification guidelines: Repurchase agreements, 100%; U.S. Treasury obligations 90%; U.S. Agency obligations 75%; Federal instrumentalities 100%; Prime Commercial paper 50%; Certificates of Deposit 25%; Money Market Funds 100%; and Time Deposits 25%. As of September 30, 2006, all JWB investments were in compliance with JWB's investment policy and did not exceed portfolio allocation.

Interfund Receivables and Payables

Balances at fiscal year end of interfund receivables and payables were as follows:

Receivable fund	Payable fund
Component unit	General
SAMIS	General
49th Street Building	General
eLearning	General
General	Pinellas Park Building

Amount
\$ 270,285
184,763
1,230,883
19,730
97,174

S 1.802 835

24

(Continued)

I
D
o
i
D
D
D
D
D
I
D
D
a
D
D
D
I
o
D
a

(6)

JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2006

Interfund receivables and payables relate to the general fund cash accounts receiving income and paying expenditures on behalf of the enterprisc funds and the component unit. As these transactions occur, receivables or payables with the other funds are increased or decreased depcnding on the specific transaction.

Capital Assets

Capital asset activity for the year ended September 30, 2006 was as follows:

Governmental activities
Additions Disposals

and and September 30,
transfers in transfers nut 2006

Capital assets being depreciated:
Furniture, fixtures, and equipment

Less accumulated depreciation

Capital assets, net

Capital assets not being depreciated:

Land and improvements

Capital assets being depreciated:

Building and improvements

Furniture, fixtures and equipment

Total capital assets

Less accumulated depreciation:

Building and improvements

Furniture, fixtures and equipment

Capital assets, net

October I,
2005

\$450,180
(346.009)
\$ 104,171

October I,
2005

\$ 434,296

2,993,842

87.390

3,515.528

(1,551,046)

(29.416)

\$ 1,935,116

25

\$ 84,736

(76.182)

\$~

\$ (137,979)

102.193
\$(35.786)

\$ 396,937
(319.998)
\$ 1fi.939

Bnsiness-tVlle activities
Additions Disposals
and and September 30,
transfers in transfers nut 2006

\$

\$

\$ 434,296

I
42,661
42.662

2,993,843
89.851
3.517.990

(40.200)
(40.200)

(77,701)
(3,894)
\$(38,933)

(1,628,747)
(33.310)
S 1.855 933

\$ (40.200)

(Continued)

D
D
D
D

(7)

D

D
D
o
D
D
D
D
D
~
I
I
D
D
D
D

(8)

JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2006

General Long-Term Obligations

The following is a schedule of changes in long-term liabilities for fiscal year ended September 30, 2006.

Beginning Balance	Increases	Decreases	Ending balance	Due in one year
Compensated absences -JWB \$ 284,726	\$ 230,388	\$ 220,438	\$ 224,676	\$ 24,516
Compensated absences -PCLB \$ 116,513	\$ 111,094	\$ 102,380	\$ 165,247	\$ 6,111

Employee Retirement Plan

Substantially all Juvenile Welfare Board employees are eligible to participate in the State of Florida Retirement System (System), a cost-sharing multiple-employer defined benefit plan administered by the State of Florida Division of Retirement. The System is a defined benefit plan for all state, and participating county, district school board, community college and university employees. 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.

Employees who retire at or after age 62 with 6 years of credited service, or with 30 years of service 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 2213.

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. This report may be obtained by writing to the Research Education and Policy Section, 1317 Winewood Boulevard, Building 8, Tallahassee, Florida 32315-9000, or assessing their Internet site at www.frs.state.fl.us/frs.12ubhc.12ub.htm 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 9.85% of covered payroll. The actuarially determined contributions required and made by JWB for the years ending September 30, 2006, 2005, and 2004 were \$391,736, \$370,062, and \$355,198, respectively.

26

(Continued)

D
o
I
o
D
U
D
o
~

~

o

(9)

(10)

D

D

D

o

D

D

D

D

JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2006

Operating Lease –Rent Income

The Board, as a lessor, has lease agreements on its Pinellas Park administrative office facilities, which expire in fiscal 2009. The Board, as a lessor, also has a lease agreement on its 49th Street Building which expires in fiscal 2008.

The following is a schedule of the future minimum rental income at September 30, 2006:

Fiscal year	Pinellas Park	49th Street
2007	\$317,007	\$ 237,500
2008	351,278	138,541
2009	394,116	

Rent subsidy is provided to the Coordinated Child Care, Pine lias County License Board and lLeadstart programs that have the lease agreements at the Pine lias Park administrative office. In FY 05/06, the rent for these three entities was \$258,734. The differential in subsidy for each is \$148,562, \$35,834, and \$103,138, respectively.

Designated Fund Balances

(a) Designatedfor Cooperman–Bogue

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

(b) Designated for Disability Benefits

The Juvenile Welfare Board designates a portion of the fund balance for short-term disability loss contingencies. Charges for claims incurred are made directly to expenditures.

(c) Designated for Future Year's Expenditures

The fiscal 2006 Budget Resolution appropriated the amount of \$1,805,730 from the fiscal 2006 year fund balance for expenditures authorized in excess of anticipated revenue during fiscal year 2006 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.

(11)

Property Tax Revenue

JWB is a special taxing district, which is authorized to levy an ad valorem tax. The millage rate shall not exceed \$ \.00 for each \$1,000 of assessed valuation of all properties within Pinellas County. For the year ended September 30, 2006, a rate of 0.8117 mills was assessed.

27

(Continued)

D
U
D
I
I
D
D
D
(12)
I
i
I
U
I
I
D
I
D
I
0

JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2006

Property taxes attach an enforceable lien on property as of April 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 the Pinellas County 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 members Millage resolution approved by the Juvenile Welfare Board members 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

Contingencies

(a) Risk Management

JWB and its component unit PCLB purchase commercial insurance for general liability, workers compensation, and health insurance. There have been no significant reductions in insurance coverage and settled amounts have not exceeded insurance coverage for the past three years.

(b) Federal and State Grants

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

28

D

JUVENILE WELFARE BOARD

D

Schedule of Revenues, Expenditures, and Changes in Fund Balance—
Budget and Actual— General Fund (Budgetary Basis)
Year ended September 30, 2006

(Unaudited)

I

D

Variance
with final
budget

Original Final fnoTable
budget budget Actual (unfa\orable)

Revenues:

Property taxes \$ 49,134,735 \$ 49,134,735 \$ 49,471,939 \$ 337,204

Fees 95,000 95,000 52,852 (42,148)

Intergovernmental 429,839 429,839 493,713 63,874

Interest income 350,000 500,000 1,068,238 568,238

Other 7,000 22,154 29,984 7,830

Total revenues 50,016,574 50,181,728 51,116,726 934,998

Expenditures:

Current:

Administration 4,484,530 4,857,302 4,660,648 196.654

Childrens' programs 45,715,086 45,675,860 42,416,326 3,259,534

Nonoperating 5,109,510 4,908,693 1,415,368 3,493,325

Capital outlay 32,425 32,425

Total expenditures 55,309,126 55,474,280 48,524,767 6,949,513

Net change in fund balance \$ (5,292,552) \$ (5,292,552) 2,591,959 \$

(6,014.515)

Fund balance - beginning of year 6,844,158

Fund balance - end of year \$ 9,436.117

See accompanying notes to financial statements.

D

~

D

D

u

D

B

D

D

D

~

D

0

I

29

D

I
D
U
U
D
I
D
~
D
C
D
o
C
I
I
I
o
I
D

...
o .
. . .

CERTIFIED PUBLIC
ACCOUNTANTS &
CONSULTANTS

Independent Auditors' Report On Internal Control Over Financial
Reporting And On
Compliance And Other Matters Based On An Audit Of Financial Statements
Performed In Accordance With Government Auditing Standards

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

We have audited the financial statements of the governmental
activities, the business-type activities, the
discretely presented component unit, each major fund, and the
aggregate fund information of the Juvenile

Welfare Board of Pinellas County, Florida (the "Board") as of and for the year ended September 30, 2006, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated December 21, 2006. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion 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 reportable 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 caused by error or fraud in amounts that would be material in relation to the 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.

Compliance and Other Matters

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

This report is intended solely for the information and use of Board's

management, the Members of the Board of Directors, the State of Florida Office of the Auditor General and applicable federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

cl.v~M{' ~ .- ;.huIMU?, t_L.P.

51. Petersburg, Florida
December 21, 2006

30

D

D

JUVENILE WELFARE 110AIUL

~

Schedule of Expenditures of Federal Awards
Year ended September 30, 2006

D

Federal (Grant) Through
Grantor/Program Title

U.S. Department of Agriculture:
Passed through Florida Department of Education
Child Care Food Program (PCLB)

Total U.S. Department of Agriculture

U.S. Department of Health and Human Services:
Passed through Florida Department of Children and Families
Child Care Development Block Grant (per B)
Child Care Development Block Grant (per B)

Total Program

D

I

D

~

Florida Department of Children & Families (OWD)
Total U.S. Department of Health and Human Services

D

U.S. Department of Justice:
Office of Juvenile Justice & Delinquency Prevention Program (J\VB)

Total U.S. Department of Justice
Total Expenditures of Federal Awards

D

See accompanying notes to schedule of expenditures of federal awards.

D

D

D

I

D

D

u

I

31

D

Federal Gmnt or	Federal	
CFIA#	Contract Number	Expenditures
10.558	D-000I S	853,105
		853,105
93.575	QCM3	218,271
93.575	QC7 A3	70,530
		288,801
93.658		47,196
		335,997

16.730

2000-JW-YX-K003

446,517

446,517
1,635,619

\$

D

D

(1)

D

D

u

(2)

D

(3)

D

o

i

D

D

o

D

D

D

I

D

D

D

JUVENILE WELFARE BOARD

Notes to Schedule of Expenditures of Federal Awards
Year ended September 30, 2006

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-133, Audits of States, Local Governments, and Nonprofit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Relationship to Basic Financial Statements

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

Subrecipients

Of the federal expenditures presented in the schedule, the Juvenile Welfare Board provided federal awards to subrecipients as follows:

Program Title

Federal CFDA
Number

Amount
provided to
subrecipients

Office of Juvenile Justice & Delinquency
Prevention Program

16.730

\$135,088

D
o
I
D
D
D
U
C
C
U
D
D
D
D
a
D
D
I
B
D

...
o .
. . .

CERTIFIED PUBLIC
ACCOUNTANTS &
CONSULTANTS

Independent Auditors' Report On Compliance With Requirements
Applicable To
Each Major Federal Awards Program And State Financial Assistance
Project And
Internal Control Over Compliance In Accordance With OMB Circular A-133

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

Compliance

We have audited the compliance of the Juvenile Welfare Board of Pinellas County, Florida (the "Board") 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, 2006. The Board's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its

major federal program is the responsibility of the Board's management. Our responsibility is to express an opinion on the 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; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General, 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 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 Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended September 30, 2006.

Internal Control Over Compliance

The Board's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state financial assistance projects. In planning and performing our audit, we considered the Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state financial assistance project 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 and Chapter 10.550, Rules of the Auditor General.

~
 u
 ~
 u
 c
 o
 o
 ~
 I
 D
 D
 B
 o
 D
 o
 o
 D
 D
 o

Our consideration of the internal control over compliance would not necessarily disclose all of the matters in 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 caused by error or fraud 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.

This report is intended solely for the information and use of the Board's management, the Board of Directors, the State of Florida Office of the Auditor General and applicable federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

(~, J~ 'I-#dM4,L,t..fJ.

Sf. Petersburg, Florida

December 21, 2006

34

D
D
I
D
D
D
D
D
~
I
o
D
I
U
I
B
o
D
D
U

JUVENILE WELFARE BOARD
Schedule of Findings and Questioned Costs -
Year Ended September 30, 2006

Part I. Summary of Auditors' Results

1. The Independent Auditors' Report on the financial statements expresses unqualified opinions.
2. No reportable conditions identified relating to the audit of the financial statements are reported.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. No reportable conditions relating to the audit of major federal award programs are reported in the Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Awards Program and Internal Control over Compliance in Accordance with OMB Circular A-133.

5. The Independent Auditors' Report on compliance for each major federal awards program expresses an unqualified opinion.

6. There were no audit findings relative to major federal awards programs.

7. The program tested as a major program includes the following:

Federal Program

CFDA
Number

U.S. Department of Agriculture
Child and Adult Care Food Program

10.558

The threshold used to distinguish between Type A and Type B program was \$300,000.

8. The Juvenile Welfare Board qualified as a low-risk auditee as that term is defined in OMB Circular A-133.

Part II. Findings Related to The Financial Statements

There were no findings relating to the Financial Statements.

Part III. Findings and Questioned Costs for Major Federal Awards Programs

There were no findings or questioned costs reported.

35

U
U
O
D
D
U
U
O
D
D
O

D
C
o
D
D
I
D
D

JUVENILE WELFARE BOARD
Summary Schedule of Prior Audit Findings and Corrective Action Plan
Year Ended September 30, 2006

Prior Year Audit Findings:

There were no audit findings in the prior year independent auditors' reports which required corrective action.

Corrective Action Plan:

There were no findings in the current year that required a corrective action plan.

36

I
o
o
D
I
D
o
D
D
o
~
U
D
i
D
D
~
I
D

...
: .
. . .

CERTIFIED PUBLIC
ACCOUNTANTS A
CONSULTANTS

Independent Auditors' Management Letter

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

We have audited the financial statements of the Juvenile Welfare Board of Pinellas County, Florida (the "Board"), as of and for the year ended September 30, 2006, and have issued our report thereon dated December 21, 2006.

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. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters, Independent Auditors' Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in accordance with OMB Circular A-133, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated December 21, 2006, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General. Those rules (Section 10.554(1)(h)1) require that we address in the management letter, if not already addressed in the auditors' reports on internal controls over financial reporting and on compliance and other matters or on the schedule of findings and questioned costs, whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no such matters reported in the preceding annual financial audit.

The Rules of the Auditor General (Section 10.554(1)(h)2) state that a management letter shall have a statement as to whether or not the Board complied with Section

218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit of the financial statements of the Board, the results of our tests did not indicate that the Board was in noncompliance with Section 218.415 regarding the investment of public funds.

The Rules of the Auditor General (Section 10.554(1)(h)3) require disclosure in the management letter of any recommendations to improve the Board's management, accounting procedures, and internal controls. There were no such matters reported.

The Rules of the Auditor General (Section 10.554(1)(h)4) require disclosure in the management letter of the following matters if not clearly inconsequential, considering both quantitative and qualitative factors: (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) failures 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. There were no such matters found.

37

D
I
U
D
o
~
o
~
D
D
o
D
D
D
D
o
D
D
i

D

The Rules of the Auditor General (Section 10.554(1)(h)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 Legislature through Chapter 23.483 Special Acts of 1945, and codified in the Laws of Florida Chapter 2003.320.

As required by the Rules of the Auditor General (Section 10.554(1)(h)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 of the financial statements of the Board, the results of our tests did not indicate that the Board met any of the specified conditions of a financial emergency contained in Section 218.503(1), Florida Statutes. However, our audit does not provide a legal determination on the Board's compliance with this requirement.

The Rules of the Auditor General (Section 10.554(1)(h)6.b.) state that a management letter shall include a statement as to whether or not the financial report filed with the Florida Department of Financial Services, pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the current audit period and, if not, explanations of any significant differences. In connection with our audit of the Board, the results of our tests indicate that the financial report, filed with the Department of Financial Services, is in agreement with the annual audited financial statements for the year ended September 30, 2006.

As required by the Rules of the Auditor General (Sections 10.554(1)(h)6.c. and 10.556), the scope of our audit included financial condition assessment procedures as of September 30, 2006. 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 management. The results of our financial condition assessment procedures disclosed no deteriorating financial conditions.

This report is intended solely for the information and use of the Members of the Board, 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 those specified parties.

c~, ~auI: f- ;#d.wU2, Lt-P.

St. Petersburg, Florida
December 21, 2006