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JWB FY07 Audited Financial Statements-B

Juvenile Welfare Board of Pinellas County.

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CERTIFIED PUBLIC
ACCOUNTANTS &
CONSULTANTS

Report of Independent Auditors

Members of the Board

Juvenile Welfare Board of Pinellas County:

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 ("JWB"), as of and for the year ended September 30, 2007, which collectively comprise JWB's basic financial statements as listed in the table of contents. These financial statements are the responsibility of JWB'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 JWB's 2006 financial statements and, in our report dated December 21, 2006, we expressed an unqualified opinion on those financial statements.

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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of JWB as of September 30, 2007, and the respective changes in financial position and, where applicable, cash flows thereof 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 January 31, 2008 on our consideration of JWB'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.

The management's discussion and analysis and the budgetary comparison schedule on page 31 is

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.

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St. Petersburg, Florida
January 31, 2008

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JUVENILE WELFARE BOARD OF PINELLAS COUNTY
Management's Discussion and Analysis
September 30, 2007
(Unaudited)

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, 2007. 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.

FINANCIAL HIGHLIGHTS

- . JWB's total net assets increased by \$ 3,475,839 (or 28%).
- . Governmental net assets increased by \$3,358,448 (or 36%) and business-type net assets increased by \$117,391 (or 3.9%).
- . Governmental activities revenue increased by \$9,145,681 (or 18%). The expenses increased by \$8,342,010 (or 18%).
- . Business-type activities revenue decreased by \$7,887 (or .63%). The expenses decreased by \$179,947 (or 14%).

OVERVIEW OF THE FINANCIAL STATEMENTS

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, Pinellas 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.

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.

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.

(Continued)

JUVENILE WELFARE BOARD OF PINELLAS COUNTY
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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.

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.

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.

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.

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table reflects the condensed Statement of Net Assets compared to the prior year. As of September 30, 2007, net assets totaled \$15.7 million.

JUVENILE WELFARE BOARD'S NET ASSETS

	Governmental Activities		Business-type activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 22,439,026	\$ 15,899,935	\$ 1,520,909	\$ 1,399,709	\$ 23,959,935	\$ 17,299,644
Capital Assets	155,668	76,939	1,825,494	1,855,933	1,981,162	1,932,872
Total assets	22,594,694	15,976,874	3,346,403	3,255,642	25,941,097	19,232,516
Other liabilities	9,698,356	6,463,818	159,884	205,074	9,858,240	6,668,892
Long-term liabilities	319,510	294,676	20,053	1,493	339,563	296,169
Total liabilities	10,017,866	6,758,494	179,937	206,567	10,197,803	6,965,061
Net assets						
Invested in capital	155,668	76,939	1,825,494	1,855,933	1,981,162	1,932,872
Unrestricted	12,421,160	9,141,441	1,340,972	1,193,142	13,762,132	10,334,583
Total net assets	\$ 12,576,828	\$ 9,218,380	\$ 3,166,466	\$ 3,049,075	\$ 15,743,294	\$ 12,267,455

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JUVENILE WELFARE BOARD OF PINELLAS COUNTY
 Management's Discussion and Analysis
 September 30, 2007
 (Unaudited)

In 2007, investment in capital assets (land, buildings, furniture and equipment) represents 13 % 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 87% 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 18%, substantially from tax revenues. Total expenses increased by 17% over the prior year.

JUVENILE WELFARE BOARD'S CHANGES IN NET ASSETS

	Governmental Activities 2007	Business-type Activities 2006	Total Primary Government 2007	Total Government 2006
Revenues:				
Program revenues:				
Charges for services	\$ 47,588	\$ 52,852	\$ 1,229,026	\$ 1,248,708
Grants - operating	249,800	493,713	249,800	493,713
General revenues:				
Property taxes	57,077,653	48,264,500	57,077,653	48,264,500
Unrestricted investment earnings	1,676,861	1,068,238	11,795	1,688,656
Miscellaneous	3,066	29,984	3,066	29,984
Total revenues	59,054,968	49,909,287	1,240,821	1,248,708
	60,295,789	51,157,995		
Expenses:				
Administration	5,343,294	4,938,184	5,343,294	4,938,184
Children & family programs		50,353,226	42,416,326	50,353,226
49th Street Building		126,219	101,552	126,219
Pinellas Park Building		491,480	480,801	491,480
SAMIS	429,486	653,877	429,486	653,877
eLearning	76,245	67,147	76,245	67,147
Total expenses	55,696,520	47,354,510	1,123,430	1,303,377
	56,819,950	48,657,887		
Increase(decrease) in net assets		3,358,448	2,554,777	117,391
	(54,669)	3,475,839	2,500,108	
Net assets beginning	9,218,380	6,663,603	3,049,075	3,103,744
	12,267,455	9,767,347		
Net assets ending	\$ 12,576,828	\$ 9,218,380	\$ 3,166,466	\$ 3,049,075
	15,743,294	\$ 12,267,455		

Governmental activities. The value of the taxable property base in Pine lias County continued to increase which allows the property tax revenues to increase as well. The JWB Board chose to reduce the millage rate for the Fiscal Year 2006-07 from .8117 to .7963. The Board had held the prior rate consistent since 1996. The rate provided an additional \$8.8 million or an 18% increase over the prior year for new services to children and families.

Operating grant revenue decreased from \$493,713 to \$249,800 as a

result of decreased funding from the U.S. Department of Justice as the Safe Start program completes its final year of a 5 year program.

JWB experienced an increase in investment earnings of \$608,623 due to federal funds rates and investment yields continuing to surge with a stronger, positive growth.

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(Continued)

JUVENILE WELFARE BOARD OF PINELLAS COUNTY
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Revenues by Source - Governmental Activities
Charges for

Miscellaneous
0.01%

services

0.08% Grants-

operating
0.42%

Property taxes _____~
96.65%

Unrestricted
Investment
Earnings
2.84%

The total cost of governmental activities increased \$8,342,010 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 \$3,358,448 reflecting an increase of \$803,671 from the prior year.

A portion of unrestricted net assets is available to cover any deficit, which might occur within governmental activities.

Expenses and Program Revenues – Governmental Activities

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Administration Children &
family programs

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JUVENILE WELFARE BOARD OF PINELLAS COUNTY
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(Unaudited)

Business-type activities. Net assets of business-type activities increased by \$117,391. Charges for services decreased by 1.58% from the prior year or by \$19,682. This was a result of increased rents on the buildings, but decreased eLearning and Statewide SAMIS participation. Expenses decreased by \$179,947 or 14%. Expenses in SAMIS decreased due to less enhancements to the software this year.

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

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EXpenses and Program Rewnues – Business–type Activities

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49th Street Pinella–s Park
Buildng Buildng

SAJVIS

eLearning

FINANCIAL ANALYSIS OF JWB's FUNDS

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

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.

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 2007, JWB's governmental fund balance was \$12.7 million (an increase of \$3,304,553 or approximately 35%). The unreserved portion of the fund balance consists of designations in the amounts of \$2,028 for Cooperman–

Bogue Award, \$399,696 for disability benefits, \$2,492,221 for FY 07-08 budget, \$84,914 for Catastrophic Sick Pool, and \$3,000,000 for Building Acquisition. There is an undesignated amount of \$6.7 million in the unreserved portion of the fund balance.

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 \$3,304,553 in fiscal 2007. The total fund balance includes an unreserved amount of approximately \$6.7 million available for emergencies and will also be used for cash flow in October and November 2007.

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(Continued)

JUVENILE WELFARE BOARD OF PINELLAS COUNTY
Management's Discussion and Analysis
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(Unaudited)

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.

Proprietary Funds Highlights

Net assets of the 49th Street building fund increased by \$111,281 due to scheduled increases in rent. Net assets of the Pinellas Park building fund decreased by \$12,182 due mostly to utility costs and depreciation expense for new improvements to the building. Net assets of the SAMIS fund increased by \$33,648 due to less contractual expenses for system enhancements. The SAMIS fund represents 5% of the total net assets and holds a balance for future technology needs. Net assets of the eLearning fund decreased by \$15,356 due to decreased participants in the web-based training program.

The total net assets of the building funds are \$3,021,136. Of that amount, \$1,209,283 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.

General Fund Budget Highlights

The JWB Board revised the budget of the General Fund twice during the year for an overall increase in appropriations of \$380,000. This increase was completed by two Board Actions during the fiscal year to accept grant dollars of \$130,000 for the Health and Human Services Coordinating Council program and to increase interest revenue by \$250,000 due to greater earnings expectations.

The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual, which is found on page 31, reflects actual expenditures to budget which were \$8.4 million less than the final budget amounts. A Board emergency reserve of \$4 million that is contained in the budget, results in an actual lapse of \$4.1 million.

JWB funded children's services for 58 agencies and 122 programs in the amount of \$50.3 million. JWB also received \$183,034 from the U.S. Department of Justice for the final year of operation of the Safe Start program.

CAPITAL ASSETS AND DEBT ADMINISTRATION

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.

JUVENILE WELFARE BOARD'S CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Land	\$ 434,296	\$ 434,296	\$ 434,296	\$ 434,296	\$ 434,296	\$ 434,296
Buildings and improvements			1,291,674	1,365,096	1,291,674	1,365,096
Machinery and equipment			155,668	76,939	99,524	56,542
					133,481	255,192
Total	\$ 155,668	\$ 76,939	\$ 1,825,494	\$ 1,855,934	\$ 1,981,162	\$ 1,932,873

JUVENILE WELFARE BOARD OF PINELLAS COUNTY
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(Unaudited)

Governmental activities. JWB's capital technology expenditures in fiscal 2007 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.

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

The JWB considered several factors in preparing the JWB's fiscal year 2007-2008 budget. For the past several years, the housing market in Pinellas has provided a platform for growth in property value. Specifically, over the last four fiscal years, property values have increased by 20%. While the housing market in Tampa Bay remains strong, a report released in April 2006 by Metro study indicated that the market was slowing. The legislation passed during 2007 restricts local taxing authorities from increasing ad valorem revenues above increases in Florida's per capita income which has been 4% on average. The Ad Valorem revenue formula for the JWB was restricted to minus 3 percent from the Rollback rate. In fiscal year 2006-2007, the county's property values stood at \$75.6 billion versus \$62.9 billion in the prior year. The current valuation for fiscal year 2007-2008 is \$80.1 billion which is an overall increase of 5.96%. However, the results of legislation created a decrease of \$1 million in tax revenue to JWB from the prior year. The decrease in ad valorem revenues has prevented 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. This will require further analysis of the existing program

portfolio to assure funded agencies are continuing in line with the goals of the plan.

The adopted fiscal year 2007-2008 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 2008, the budget reflects a decrease to .7384 mills from the prior year millage rate of .7963 mills. The overall operating budget is \$67.8 million, an increase of 3.9% over the budget for fiscal year 2007, which is primarily targeted at maintenance of services to children and families.

REQUESTS FOR INFORMATION

The JWB's financial statements are 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 web site at: www.jwbpinellas.org.

JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Statement of Net Assets

September 30, 2007

(with comparative summarized financial information for 2006)

	Component Primary		Unit Government			
	Primary government	Business-type	2007	Pinellas County	License Board	2006
Assets	activities	activities	Total	Total	Total	Total
Cash and cash equivalents	\$ 4,586,257	\$ 4,586,257	\$ 4,586,257	\$ 4,586,257	\$ 4,586,257	\$ 5,532,097
Investments	18,838,125	18,838,125	18,838,125	11,144,736		
Due from other governments	378,779	36,492	36,492	415,271	23,510	473,649
Due from other agencies	66,774	66,774	66,774	682	113,035	
Receivables	20,498	20,498	530	6,570		
Deposits	33,010	33,010	29,556			
Internal balances	(1,484,417)	1,484,417	1,484,417			
Due from primary government		242,848	242,848			
Capital assets (net of accumulated depreciation)						
Non-depreciable	434,296	434,296	434,296	434,296		
Depreciable, net of accumulated depreciation	1,546,866	59,795	1,498,577	155,668	1,391,198	
Total assets	22,594,694	3,346,403	25,941,097	327,365	19,232,516	
Liabilities						

Payable to Agencies	8,961,415	8,961,415	5,557,916
Accounts payable	299,088	156 299,244	12,880 417,068
Other payables	3,809	3,809	72,954
Accrued salary and benefits	181,196	3,420	184,616 137,422
192,081			
Deferred revenue	10,000	156,308	166,308 158,588
Due to component unit	242,848	242,848	270,285
Long-term liabilities:			
Due within one year	25,718	25,718	24,536
Due in more than one year	293,792	20,053	313,845 271,633
Total liabilities	10,017,866	179,937	10,197,803 150,302
6,965,061			
Net Assets			
Invested in capital assets	155,668	1,825,494	1,981,162 59,795
1,932,872			
Unrestricted	12,421,160	1,340,972	13,762,132 117,268 10,334,583
Total net assets	\$ 12,576,828	\$ 3,166,466	\$ 15,743,294 \$ 177,063 \$
12,267,455			

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

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JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Balance Sheet - General Fund

September 30, 2007

(with comparative financial information for 2006)

Assets 2007 2006

Cash and cash equivalents \$ 4,586,256 \$ 5,532,097

Investments 18,838,125 11,144,736

Due from other governments 378,779 412,143

Due from other agencies 66,774 113,035

Receivables 20,498 6,570

Deposits 33,010 29,556

Total assets \$ 23,923,442 \$ 17,238,137

Liabilities and Fund Balance

Liabilities:

Payable to Agencies \$ 8,961,415 \$ 5,557,916

Accounts payable 299,087 387,068

Other payables 3,809 72,954

Accrued salary and benefits 181,196 1 73,315

Deferred revenue 10,000 2,280

Due to other funds 1,484,417 1,338,202

Due to component unit 242,848 270,285

Total liabilities 11,182,772 7,802,020

Fund balance:

Designated for Cooperman-Bogue 2,028 2,028

Designated for disability benefits 399,696 385,808

Designated for future years' expenditures 2,492,221 1,805,730

Designated for sick leave pool 84,914 83,537

Designated for building acquisition 3,000,000 1,000,000

Undesignated, unreserved 6,761,811 6,159,014
Total fund balance 12,740,670 9,436,117
Total liabilities and fund balance \$ 23,923,442 \$ 17,238,137

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

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JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Assets

September 30, 2007

(with comparative financial information for 2006)

2007

\$ 12,740,670

Total fund balance – governmental fund

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

Net assets of governmental activities

155,668

(319,510)

\$ 12,576,828

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

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2006

\$ 9,436,117

76,939

(294,676)
\$ 9,218,380

JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Statement of Revenues, Expenditures, and Changes in Fund Balance –
General Fund
Year ended September 30, 2007
(with comparative financial information for 2006)

	2007	2006
Revenues:		
Property taxes (net of fees)	\$ 57,077,653	\$ 48,264,500
Fees	47,588	52,852
Intergovernmental	249,800	493,713
Interest income	1,676,861	1,068,238
Other	3,066	29,984
Total revenues	59,054,968	49,909,287
Expenditures:		
Administration	5,262,922	4,868,577
Children and family programs	50,353,226	42,416,326
Capital outlay	134,267	32,425
Total expenditures	55,750,415	47,317,328
Net change in fund balance	3,304,553	2,591,959
Fund balance – beginning of year	9,436,117	6,844,158
Fund balance – end of year	\$ 12,740,670	\$ 9,436,117

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

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JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance
of Governmental Fund to the Statement of Activities
Year ended September 30, 2007
(with comparative financial information for 2006)

	2007	2006
Net change in fund balance – General Fund	\$ 3,304,553	\$ 2,591,959

Amounts reported for governmental activities in the statement of net assets are different because:
Capital outlays are reported as expenditures in the General Fund. However, the cost of those 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 134,267 32,425
 Depreciation expense (55,538) (59,657)
 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 General Fund (24,834) (9,950)
 Change in net assets in governmental activities \$ 3,358,448 \$ 2,554,777
 The notes to the financial statements are an integral part of this statement.

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JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Statement of Net Assets – Enterprise Funds
 September 30, 2007
 (with comparative financial information for 2006)

	49th Street	Pinellas Park	Non Major	2007	2006
	Building	Building	SAMIS	eLearning	Total
	Total	Total			
Assets					
Current assets:					
Due from other governments	\$	\$	\$ 16,942	\$ 19,550	\$ 36,492
Due from other funds	1,344,577	256,448		1,601,025	1,435,376
Noncurrent assets:					
Land and improvements	243,496	190,800		434,296	434,296
Building and improvements	856,447	2,137,396		2,993,843	2,993,843
Furniture, fixtures, and equipment	16,880	83,152	49,991		150,023
Accumulated depreciation	(861,271)	(855,047)	(36,350)		
	(1,752,668)	(1,662,056)			
Total assets	1,600,129	1,556,301	287,031	19,550	3,463,011
	3,352,816				
Liabilities					
Current liabilities:					
Accounts payable	156	156	30,000		
Accrued liabilities	2,097	1,323	3,420	18,766	
Deferred revenue	19,791	136,517	156,308	156,308	
Due to other funds	95,205	21,403	116,608	97,174	
Noncurrent liabilities:					
Accrued absences	18,045	2,008	20,053	1,493	
Total liabilities	19,791	115,503	139,848	21,403	296,545
					303,741
Net assets					

Investment in capital assets 255,553 1,556,300 13,641 1,825,494
 1,855,933

Unrestricted (deficit) 1,324,785 (115,502) 133,542 (1,853)
 1,340,972 1,193,142

Total net assets \$ 1,580,338 \$ 1,440,798 \$ 147,183 \$ (1,853) \$
 3,166,466 \$ 3,049,075

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

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JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Statement of Revenues, Expenses, and Changes in Fund Net Assets—
 Enterprise Funds

Year ended September 30, 2007

(with comparative financial information for 2006)

49th Street Pinellas Park Non Major 2007 2006

Buildin~ Buildin~ SAMIS eLearnin~ Total Total

Operating revenues:

Charges for services \$ 237,500 \$ 479,298 \$ 451,339 \$ 60,889 \$
 1,229,026 \$ 1,218,708

Interest revenue 11,795 11,795

Total operating revenue 237,500 479,298 463,134 60,889 1,240,821
 1,218,708

Operating expenses:

Personnel services 122,503 100,329 2,929 225,761 203,824

Contractual services 31,568 68,026 302,252 72,938 474,784
 696,577

Utilities 44,709 148,118 6,281 199,108 176,987

Supplies 100 23,706 45 7 23,858 15,707

Repairs and maintenance 8,597 58,573 844 68,014 69,655

Other operating expenses 9,436 21,819 6,979 371 38,605 28,350

Depreciation 2,411 78,133 12,756 93,300 35,677

Total operating expenses 96,821 520,878 429,486 76,245 1,123,430
 1,226,777

Operating income (loss) 140,679 (41,580) 33,648 (15,356) 117,391
 (8,069)

Fund transfer for capital asset (29,398) 29,398 (46,600)

Change in net assets 111,281 (12,182) 33,648 (15,356) 117,391
 (54,669)

Net assets – beginning of year 1,469,057 1,452,980 113,535 13,503
 3,049,075 3,103,744

Net assets – end of year \$ 1,580,338 \$ 1,440,798 \$ 147,183 \$ (1,853) \$
 3,166,466 \$ 3,049,075

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

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JUVENILE WELFARE BOARD OF PINELLAS COUNTY
Statement of Cash Flows – Enterprise Funds
Year ended September 30, 2007

(with comparative summarized financial information for 2006)

49th Street Pinellas Park Non Major 2007 2006

Buildin~ Buildin~ SAMIS eLearnin~ Total Total

Cash flows from operating activities:

Receipts from customers \$ 237,500 \$ 479,298 \$ 483,925 \$ 65,112 \$
1,265,835 \$ 1,280,214

Payments to vendors (94,410) (335,572) (317,584) (103,316)
(850,882) (944,547)

Payments to employees (104,458) (98,491) (2,929) (205,878)
(220,388)

Net cash provided by (used in) operating activities 143,090 39,268
67,850 (41,133) 209,075 115,279

Cash flows from non capital financing activities:

Decrease (Increase) in due from other funds (113,694) (1,969)
(71,685) 41,133 (146,215) (96,669)

Net cash provided by (used in)

non capital financing activities (113,694) (1,969) (71,685)
41,133 (146,215) (96,669)

Cash flows from capital and related financing activities:

(Acquisition) Disposition of capital assets (29,396) (37,299)
3,835 (62,860) (18,610)

Net cash provided by (used in) capital

and related financing activities (29,396) (37,299) 3,835
(62,860) (18,610)

Cash and cash equivalents – beginning of year

Cash and cash equivalents – end of year \$ \$ \$ - \$ - \$ \$

Reconciliation of operating income (loss)

to net cash provided by operating activities:

Cash flows from operating activities:

Operating income (loss) \$ 140,679 \$ (41,580) \$ 33,648 \$ (15,356) \$
117,391 \$ (8,069)

Adjustments to reconcile operating income (loss)

to net cash provided by operating activities:

Depreciation 2,411 78,133 12,756 93,300 35,677

Decrease (increase) in due from other

agencies/governments 20,791 4,223 25,014 61,506

Increase (decrease) in accounts payable 156 (30,000) (29,844)
30,000

Increase (decrease) in accrued liabilities (15,486) 140

(15,346) 12,729

Increase (decrease) in accrued absences 18,045 515 18,560

(16,564)

Total adjustments 2,411 80,848 34,202 (25,777) 91,684 123,348

Net cash provided by operating activities \$ 143,090 \$ 39,268 \$ 67,850
\$ (41,133) \$ 209,075 \$ 115,279

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

statement.

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JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Notes to Financial Statements

September 30, 2007

(1) 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.

(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. 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 (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 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 prepared for PCLB and can be obtained by contacting their administrative office: Pinellas County License Board for Children's Centers & Family Day Care Homes, 4175 East Bay Drive, Suite 350, Clearwater, FL 33764 or visit their web site at: www.pclb.org.

(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

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(Continued)

JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Notes to Financial Statements

September 30, 2007

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.

Fund Financial Statements

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.

JWB reports the following major governmental 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.

JWB reports the following major enterprise funds:

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.

Pinellas Park Building –The Board has lease agreements, as a lessor on its Pinellas Park administrative office facilities, which expire in fiscal 2008. The building rent is billed to the general fund 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 reports the following non-major enterprise funds:

SAMIS –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.

eLearning– JWB eLearning has entered into agreements with various Children Services Councils and JWB fund agencies to provide alternative methods 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 these agreements support the operation and development of a majority of the courses requested.

(c) Measurement Focus and Basis of Accounting

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. Non-exchange 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.

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(Continued)

JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Notes to Financial Statements

September 30, 2007

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

(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 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.
- . The budget presented for general fund in these financial statements

has been prepared on the modified accrual basis of accounting. Expenditures for Tax Collector and Property Appraiser fees are budgeted as non-operating but for financial statement purposes are offset against the related property tax revenues. Certain technology fees are also budgeted as non-operating but for financial statement purposes are included as administration expenditures.

. Supplemental budget appropriations are sometimes necessary during the year. The Board authorized additional budget appropriations of \$380,000 during fiscal 2007.

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(Continued)

JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Notes to Financial Statements

September 30, 2007

(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.

(f) Investments

Investments are reported at fair value.

(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.

Depreciation is provided using the straight-line method over the

following estimated lives:

Property classification
Buildings
Improvements

Furniture and other equipment
Computer equipment

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

(h) 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. The general fund records 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.

(i) Fund Balance

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

lj) Operating Revenues and Expenses

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.

(Continued)

JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Notes to Financial Statements

September 30, 2007

(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 2006

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, 2006, 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, 2007:

Deposits with commercial banks (book balance)
Petty cash
Book balance

Bank balance of deposits in commercial banks

\$ 4,586,106

150

\$ 4.586.256

\$ 4.629.698

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.

(4) Investments

At September 30, 2007, the Juvenile Welfare Board had the following investments:

Regions Money Market Fund
Florida State Board of Administration
Total

Fair
Value
\$ 4,920
18.833.205
\$ 18.838.125

23

(Continued)

JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Notes to Financial Statements

September 30, 2007

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 AIIPI (prime I commercial paper) or better at the time of purchase.

Participants in the Florida State Board of Administration fund (the "State Board fund") with accounts less than \$20,000,000 are placed in a pooled investment account. The JWB deposit of \$18,833,205 with the State Board fund at September 30, 2007, was neither insured nor collateralized and is stated at fair value. The State Board fund 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. See Note 13 regarding subsequent event regarding withdrawal of certain amounts.

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 AIIPI 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.

Concentration Risk

JWB's investment policy establishes the following investment diversification guidelines: Repurchase agreement 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, 2007, all JWB investments were in compliance with JWB's investment policy and did not exceed portfolio

allocation.

(5) Inter-fund Receivables and Payables

Balances at fiscal year end of inter-fund receivables and payables were as follows:

Receivable fund	Payable fund
Component unit	General

SAMIS	
49th Street Building	
General	
General	

General	
General	
eLearning	
Pinellas Park Building	

Amount	
\$ 242.848	

256,448	
1,344,577	
(21,403)	
(95,205)	
\$ 1.484.417	

24

(Continued)

JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Notes to Financial Statements

September 30, 2007

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

(6) Capital Assets

Capital asset activity for the year ended September 30, 2007 was as follows:

Governmental activities
Additions Disposals
and and September 30,
transfers in transfers out 2007

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 1,
2006

\$ 396,937
(319,998)
\$ 76,939

October 1,
2006

\$ 434,296

2,993,843
89,851
3,517,990

(1,628,747)
(33,310)
\$ 1,855,933

Depreciation was charged to the following functions:

General government
Administration \$ 55.538

Business activities
SAMIS \$12,756
49th Street Building 1,211
Pinellas Park Building 78,133
\$93.300

25

\$144,224
(55,357)
\$88.867

\$ 478,118
(322,450)
\$155.668

\$ (63,043)
52,905
\$(10.138)

Business-type activities
Additions Disposals
and and September 30,
transfers in transfers out 2007

\$

\$

\$ 434,296

116,685
116,685

(56,513)
(56,513)

2,993,843
150,023
3,578,162

(73,423)
(19,875)
\$23.387

(1,702,170)
(50,498)

\$ 1.825.494

2,687

\$ (53.826)

(Continued)

JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Notes to Financial Statements

September 30, 2007

(7) Long-Term Liabilities

The following is a schedule of changes in long-term liabilities for fiscal year ended September 30, 2007.

	Beginning	Ending	Due in			
Compensated absences - Balance				Increases	Decreases	balance one year
Governmental Fund	\$294,676	\$323,876	\$299,042	\$319,510	\$25,718	
Enterprise	1,493	33,293	14,733	20,053		
Total	\$296.169	\$357.169	\$313.775	\$339.563	\$25.718	

(8) Post Employment Benefits (Other Than Pensions)

In accordance with Florida Statutes Section 112.0801, the JWB offers retiring employees the opportunity to continue participating in the group insurance plans. Retirees who do not choose to continue participation lose eligibility to participate in the future. The participating retirees pay 100% (employer and employee portion) of the premium cost applicable to an active employee.

Approximately 6 retirees participate in the program. Expenditures for these benefits are recognized as claims are reported. Costs for retiree claims are included with active employee participants in calculating premium and claims liability amounts. The eligible retiree group currently represents approximately 4% of the total participants in the JWB's health plan.

In preparation for implementing the requirements of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions", the JWB engaged an actuarial firm to determine the estimated obligation associated with post-employment health care benefits as well as the actuarially required contribution

(ARC) for funding this obligation. Based on this report, the estimate at October 1, 2007 of the actuarially required annual contribution is \$117,995 and the actuarially determined unfunded obligation is \$46,077. Implementation of GASB 45 for JWB will be FYE 9/30/09.

(9) 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 22B.

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(Continued)

JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Notes to Financial Statements

September 30, 2007

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, 2007, 2006, and 2005 were \$495,177, \$391,736, and \$370,062, respectively.

(10) Operating Lease -Rent Income

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

The following is a schedule of the future minimum rental income at September 30, 2007:

Fiscal year
2008

2009

Pinellas Park
310,452

348,312

49th Street
138,541

Rent subsidy is provided to the Coordinated Child Care, Pinellas County License Board and Headstart programs that have the lease agreements at the Pinellas Park administrative office. In fiscal 2007, the rent for these three entities was \$319,671. The differential in subsidy for each is \$185,169, \$43,949, and \$126,495, respectively.

(11) Designated Fund Balances

(a) Designated for 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 2007 Budget Resolution appropriated the amount of \$2,492,221 from the fiscal 2007 year fund balance for expenditures authorized in excess of anticipated revenue during fiscal year 2007 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

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(Continued)

JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Notes to Financial Statements

September 30, 2007

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.

(e) Designated for Building Acquisition

This Board designation is to be used towards the construction needs of the new leased administration building located in Clearwater, Florida, until the sale of the 49th Street Building and Pinellas Park Building – see Note 14(a) and (b).

(12) 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, 2007, a rate of 0.7963 mills was assessed.

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 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

July 1

September 30

October 1

November 1

April 1

June 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

(13) Contingencies

(a) Risk Management

JWB has purchased 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. JWB is self-insured for short-term disabilities of six months or less – see Note 11b.

(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.

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(Continued)

JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Notes to Financial Statements

September 30, 2007

(c) Contract for Sale of 49th Street Building

On August 8, 2007, the Board entered into a contract with a non-profit agency for the sale of the 49th Street Building in the amount of \$2,520,000. The sale is contingent upon the relocation of a current tenant in the building by July 31, 2008. It is planned for the proceeds from the sale of the 49th Street and Pinellas Park buildings to be used towards the construction needs of the new leased administration building located in Clearwater, Florida – see Note 14(a).

(14) Subsequent Events

(a) Contract to Renovate and Lease new building

On November 29, 2007, JWB entered into a contract with St. Petersburg College to renovate and then to lease a building in Clearwater, Florida. Upon completion of the renovation which is anticipated to be in December 2008, JWB will relocate its administrative facilities from the Pinellas Park location.

(b) Contract to Sell the Pinellas Park building

In October 2007, JWB entered into a listing agreement with a realtor to sell the Pinellas Park building.

(c) Florida State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool

As discussed in Note 3, at September 30, 2007, the Juvenile Welfare Board had \$18,833,205 invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (Pool). On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Pool B consisted of assets that defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

Currently, Pool A participants may withdraw 15% of their balance or \$2 million, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to

a 2% redemption fee. New investments in Pool A are not subject to the redemption fee or

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(Continued)

JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Notes to Financial Statements

September 30, 2007

withdrawal restrictions. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAM" principal stability fund rating to Pool A.

Currently, Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. Market valuations of the assets held in Pool B are not readily available. In addition, full realization of the principle value of Pool B assets is not readily determinable.

As of December 31, 2007, the Juvenile Welfare Board has \$8,856,979 and \$1,868,117 invested in Pool A and B, respectively. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

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JUVENILE WELFARE BOARD OF PINELLAS COUNTY

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual– General Fund (Budgetary Basis)
Year ended September 30, 2007

(Unaudited)

Variance

	with final			
	budget			
	Original	Final	favorable	
	budget	budget	Actual	(unfavorable)
Revenues:				
Property taxes	\$ 58,140,340	\$ 58,140,340	\$ 58,352,875	\$ 212,535
Fees	70,000	70,000	47,588	(22,412)
Intergovernmental	485,272	615,272	249,800	(365,472)
Interest income	950,000	1,200,000	1,676,861	476,861
Other	2,000	2,000	3,066	1,066
Total revenues	59,647,612	60,027,612	60,330,190	302,578
Expenditures:				
Current:				
Administration	5,179,458	5,145,191	5,110,523	34,668
Childrens' programs	52,990,150	53,317,150	50,353,226	2,963,924
Nonoperating	6,897,309	6,850,309	1,427,621	5,422,688
Capital outlay	134,267	134,267		
Total expenditures	65,066,917	65,446,917	57,025,637	8,421,280
Net change in fund balance	\$ (5,419,305)	\$ (5,419,305)	3,304,553	\$ (8,118,702)
Fund balance - beginning of year			9,436,117	
Fund balance - end of year			\$ 12,740,670	

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CERTIFIED PUBLIC
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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:

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 remaining fund
information of Juvenile Welfare Board of Pinellas County ("JWB") as of
and for the year ended
September 30, 2007, which collectively comprise Juvenile Welfare Board
of Pinellas County, Florida's

basic financial statements, and have issued our report thereon dated January 31, 2008. 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 JWB's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of JWB's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of JWB's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether JWB's 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 letter is intended solely for the information and use of JWB'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 those specified parties.

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St. Petersburg, Florida
January 31,2008

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CERTIFIED PUBLIC
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CONSULTANTS

Independent Auditors' Management Letter

Members of the Board
Juvenile Welfare Board of Pinellas County:

We have audited the financial statements of the Juvenile Welfare Board of Pinellas County ("JWB"), as of and for the year ended September 30, 2007, and have issued our

report thereon dated January 31, 2008.

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 Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, dated January 31, 2008, and it 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—Local Government Entity Audits. Those rules (Section 10.554(1)(i)1) require that we address in the management letter 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)(i)2) state that a management letter shall have a statement as to whether or not JWB complied with Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit of the financial statements of JWB, the results of our tests did not indicate that JWB was in noncompliance with Section 218.415 regarding the investment of public funds.

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

The Rules of the Auditor General (Section 10.554(1)(i)4) require disclosure in the management letter of any violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. There were no such matters noted.

The Rules of the Auditor General (Section 10.554 (1)(i)5) allows for the following matters that are inconsequential to the financial statement, considering both quantitative and qualitative factors to be reported based on professional judgment: (a) immaterial violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or are likely to have occurred; (b) immaterial, improper or illegal expenditures; (c) control deficiencies that are not significant deficiencies. There were no such matters noted.

The Rules of the Auditor General (Section 10.554(1)(i)6) 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. Such disclosure is included in the notes to financial statements.

As required by the Rules of the Auditor General (Section 10.554(1) (i)7.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 JWB, the results of our tests did not indicate that JWB 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 JWB's compliance with this requirement.

The Rules of the Auditor General (Section 10.554(1)(i)7.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 JWB, 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, 2007.

As required by the Rules of the Auditor General (Sections 10.554(1) (i)7.c. and 10.556(7), the scope of our audit included financial condition assessment procedures as of September 30, 2007. 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 management letter is intended solely for the information and use of JWB'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 those specified parties.

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St. Petersburg, Florida
January 31, 2008