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JWB FY08 Audited Financial Statements-B

Juvenile Welfare Board of Pinellas County.

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JUVENILE WELFARE BOARD

Financial Statements

September 30, 2008

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JUVENILE WELFARE BOARD

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CERTIFIED PUBU
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Report of Independent Auditors

Members of the Board

Juvenile Welfare Board of Pinellas County:

We have audited the accompanying financial statement! of the governmental activities, the business-type activities, 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, 2008, 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 2007 financial statements and, in our report dated January 31, 2008, 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 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 JWB as of September 30, 2008, 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 February 3, 2009 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.

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The management's discussion and analysis and the budgetary comparison schedule as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. 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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Tampa, Florida
February 3, 2009

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JUVENILE WELFARE BOARD
Management's Discussion and Analysis
September 30, 2008
(Unaudited)

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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, 2008. 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.

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FINANCIAL HIGHLIGHTS

. JWB's total net assets increased by \$ 934,084 (or 6%). The net assets of the governmental activities

increased by \$1,068,784 (or 8%) while the business-type net assets decreased by \$134,700 (or 4.3%).

. For the year, JWB's governmental activities total expenses remained almost unchanged over last year at \$56,010,523 reflecting an increase of only \$314,003 (or .6%). The total revenue decreased by \$1,975,661 (or 3%).

. In JWB's business-type activities, revenue decreased by \$114,172 or (or 9.2%) and the expenses increased by \$137,919 (or 12%).

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. The General Fund incurred a net change of (\$2,685,573).

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. The expenditures were \$7,023,731 less than budgeted for the General Fund. This includes an amount of \$3,064,098 budgeted for the emergency reserve that remains set aside and an amount of \$3,959,633 of the budget that was actually not expensed.

OVERVIEW OF THE FINANCIAL STATEMENTS

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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.

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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 two categories included which are governmental and business-type. 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).

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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.

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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

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JUVENILE WELFARE BOARD
Management's Discussion and Analysis
September '30, 2008
(Unaudited)

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in expenditures in future years (e.g. earned but unused vacation/sick

leave). Depreciation for all capital assets is recorded also.

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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.

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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.

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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.

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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.

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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

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The following table reflects the condensed Statement of Net Assets compared to the prior year. As of September 30, 2008, net assets totaled \$16.7 million.

JUVENILE WELFARE AND ARD'S NET ASSETS

	Governmental Activities		Business-type activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 19,719,632	\$ 22,439,026	\$ 1,486,129	\$ 1,520,909	\$ 21,205,761	\$ 23,959,935
Capital Assets	3,984,132	155,668	1,732,015	1,825,494	5,716,147	1,981,162
Total assets	23,703,764	22,594,694	3,218,144	3,346,403	26,921,908	25,941,097
Other liabilities	9,664,535	9,698,356	166,119	159,884	9,830,654	9,858,240
Long-term liabilities	393,617	319,510	20,259	20,053	413,876	339,563
Total liabilities	10,058,152	10,017,866	186,378	179,937	10,244,530	10,197,803
Net assets						
Invested in capital	3,984,132	155,668	1,732,015	1,825,494	5,716,147	1,981,162
Unrestricted	9,661,480	12,421,160	1,299,751	1,340,972	10,961,231	13,762,132
Total net assets	\$ 13,645,612	\$ 12,576,828	\$ 3,031,766	\$ 3,166,466	\$ 16,677,378	\$ 15,743,294

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JUVENILE WELFARE BOARD
 Management's Discussion and Analysis
 September 30, 2008
 (Unaudited)

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In 2008, investment in capital assets (land, buildings, furniture and equipment) represents 34 % of JWB's total net assets. A significant increase in capital assets was due to a new capital lease which is described in Note 6. JWB has no outstanding debt. Capital assets are used to provide services to the citizens of Pine lias County and therefore are not available for future spending. Unrestricted net assets represent 66% of total net assets.

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The following schedule reflects the condensed Statement of Changes in Net Assets compared to the prior year. Total revenues for JWB decreased by 3%, primarily due to a decrease in tax revenues and investment earnings. Total expenses increased by only 1 % over the prior year.

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JUVENILE WELFARE BOARD'S CHANGES IN NET ASSETS

	Governmental Activities 2008	Business-type Activities 2007	Total Primary Government 2008	Total Government 2007
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Revenues:

Program revenues:

Charges for services \$ 46,850 \$ 47,588 \$ 1,117,739 \$ 1,229,026 \$

1,164,589	\$ 1,276,614				
Operating grants and contributions	164,534	249,800		164,534	
249,800					
General revenues:					
Property taxes	56,169,705	57,077,653		56,169,705	57,077,653
Unrestricted investment earnings	679,761	1,676,861	7,057	11,795	686,818
Miscellaneous	18,457	3,066	1,853	20,310	3,066
Total revenues	57,079,307	59,054,968		1,126,649	1,240,821
58,205,956	60,295,789				
Expenses:					
Administration	5,551,098	5,343,294		5,551,098	5,343,294
Children & family programs	50,459,425	50,353,226		50,459,425	50,353,226
49th Street Building		262,804	126,219	262,804	126,219
Pinellas Park Building		579,098	491,480	579,098	491,480
SAMIS	419,447	429,486	419,447	429,486	
eLearning	76,245	76,245			
Total expenses	56,010,523	55,696,520		1,261,349	1,123,430
57,271,872	56,819,950				
Increase(decrease) in net assets	1,068,784	3,358,448		(134,700)	
117,391	934,084	3,475,839			
Net assets beginning	12,576,828	9,218,380		3,166,466	3,049,075
15,743,294	12,267,455				
Net assets ending \$	13,645,612	\$ 12,576,828	\$ 3,031,766	\$ 3,166,466	\$
16,677,378	\$ 15,743,294				

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Governmental activities. The value of the taxable property base in Pine lias County increased, but at a slower rate due to a sluggish housing market. The current valuation for fiscal year 2007-2008 was \$80.1 billion which is an overall increase of 5.96%. However, Florida legislation passed during this year restricts local taxing authorities from raising ad valorem millage rates. It limits increases through the use of a cap based on the rolled-back rate augmented by an allowance for the Florida per capita income increase. The Ad Valorem revenue formula also restricts JWB to a minus 3 percent from the rolled-back rate for a governing body

majority vote. Anything higher required a % vote or referendum. With a rolled-back rate of .7613, the 97% rule created the maximum rate to be .7385 for JWB. The JWB Board voted the millage rate to .7384. This is the second consecutive year in which the Board has lowered its millage rate. A rate of .8117 was maintained for ten years prior to FY0607. The rate provided an amount that is \$907,948 less or a 1.59% decrease from the prior year. The decrease in ad valorem revenues restricts the Board's ability to respond to critical community

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needs or to further implement its Strategic Plan. The majority of ad valorem revenues are focused on the continuation of ongoing programs.

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Operating grant revenue and contributions decreased from \$249,800 to \$164,534 as a result of a completed five year grant from the U.S. Department of Justice - Office of Juvenile Justice and Delinquency Prevention for the Safe Start program and implementation of a new collaboration with the Board of County Commissioners of Pinellas County, Florida, for the operation of the Health and Human Services Coordinating Council.

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JWB experienced a decrease in investment earnings of \$997,100 due to reduced federal funds and investment rates resulting in a decrease of 59% in investment yield.

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Revenues by Source – Governmental Activities

Miscellaneous

0.03%

Charges for
services

0.08%

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Property taxes

98.41 %

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The total expense of governmental activities increased by only \$314,003 over the prior year. General government expenses include JWB's investment in children's program services and administrative expenses. Due to budget limitations, management continues to keep expenditures within spending limits and continue to use cost saving measures to help counteract potential downturns in revenues. The increase in net assets is \$1,068,784.

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Administration

Children & family
programs

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JUVENILE WELFARE BOARD
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Business-type activities. Net assets of business-type activities decreased by \$134,700. Revenues from charges for services decreased by 9.05% from the prior year or by \$111,287. This was a result of increased rent for the 49th Street building but decreased rent for the Pinellas Park building. The Statewide SAMIS continues to maintain the support of its participants. Overall, expenses increased by \$137,919 or 12%. Expenses in the 49th Street building increased due to lease contract renegotiation. Expenses at the Pine lias Park Building increased due to a change in the personnel allocation, other operating expenses and depreciation. SAMIS expenses decreased due to fewer enhancements to the software this year. Due to the non-productivity of the eLearning fund, operations were discontinued in May 2008 and the deficit was absorbed by the General fund.

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49th Street Pinellas Park SAMS
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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 13, 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 2008, JWB's governmental fund balance was \$10 million (a decrease of \$2,685,573 or approximately 21 %). The unreserved portion of the fund balance consists of designations in the amounts of \$2,028 for Cooperman-Bogue Award, \$400,469 for disability benefits, \$4,346,404 for FY 08–09 budget, \$39,778 for sick leave pool, and \$5,266,418 for an emergency reserve.

. The Statement of Revenues, Expenditures, and Changes in Fund Balance, which is found on page 15, reflects the excess of revenues over expenditures. The total fund balance includes an unreserved amount of approximately \$5.3 million available for emergencies and will also be used for cash flow in October and November 2008.

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JUVENILE WELFARE BOARD
Management's Discussion and Analysis
September 30, 2008
(Unaudited)

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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

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Net assets of the 49th Street building fund decreased by \$12,591 due to increased building expenses and decreased charges for services. Net assets of the Pine lias Park building fund decreased by \$149,782 due mostly to increased allocation of personnel, other operating and depreciation expense along with the loss of lessees for the building. Net assets of the Non Major fund increased by \$27,623 due to less contractual expenses for system enhancements. The Non Major fund represents 6% of the total net assets and holds a balance for future technology needs.

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The total net assets of the building funds are \$2,858,763. Of that amount, \$1,131,250 in the two Building Funds is unrestricted and available to cover liabilities and other capital improvements necessary for the buildings. However, the 49th Street building was sold in December 2008 and is discussed in Note 14. The Pinellas Park building has been listed for sale, leases have been terminated with lessees and the administration of JWB moved to another location in December 2008. Upon sale of these buildings, dollars available in unrestricted fund balances will be used to fund future services to children and families.

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General Fund Budget Highlights

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The JWB Board revised the budget of the General Fund twice during the

year for an overall increase in appropriations of \$42,000. This increase was completed by two Board Actions during the fiscal year to accept grant dollars of \$40,000 for the Health and Human Services Coordinating Council program and to increase revenue by \$2,000 to JWB administration for the Cooperman Bogue Social Worker Recognition program.

The Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual, which is found on page 32, reflects actual budget variances which are \$7.4 million less than the final budget amounts. The revenue variance of \$352,745 is primarily due to investment income reduced by a decline in federal rates. The expenditure variance of \$7 million includes a 5% lapse in administrative personnel and benefits due to attrition for budget purposes. The childrens' programs lapse includes \$3.3 million in agency services. Of this amount, \$2 million is due to such reasons as late project start-up, vacant staff positions, and several programs terminations. The other \$1.3 million occurred as a result of JWB's cautious decisions in allocating additional funds based on future revenue shortfalls that cause disruption in the continuation of services. The \$3.4 million non-operating budget variance is due to a Board emergency reserve of \$3 million that is contained in the budget along with a \$.4 million lapse in county tax fees expense and a cost savings in the purchase of technology.

JWB funded children's services for 51 agencies and 103 programs in the amount of \$50.5 million. JWB also received \$164,534 from the Pinellas County Board of County Commissioners for the collaboration of operation of the Health and Human Service Coordinating Council.

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JUVENILE WELFARE BOARD

Management's Discussion and Analysis
 September 30, 2008
 (Unaudited)

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CAPITAL ASSETS AND DEBT ADMINISTRATION

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Capital assets. JWB's investment in capital assets for the governmental and business-type activities is \$5.7 million, net of accumulated depreciation. The chart below includes land, buildings, improvements, and equipment with the accumulated depreciation deducted.

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JUVENILE WELFARE BOARD'S CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Land	\$ 434,296	\$ 434,296	\$ 434,296	\$ 434,296	\$ 434,296	\$ 434,296
Buildings and improvements			1,223,351	1,291,674	1,223,351	1,291,674
Capital lease - Equipment			39,975		39,975	
Capital lease . St. Petersburg College					3,800,240	3,800,240
Machinery and equipment	143,917	155,668	74,368	99,524	218,285	255,192
Total	\$ 3,984,132	\$ 155,668	\$ 1,732,015	\$ 1,825,494	\$ 5,716,147	\$ 1,981,162

Governmental activities. JWB's capital technology expenditures in fiscal 2008 included costs for computer hardware and software along with capital leases for three copier machines. A considerable increase in capital assets was due to a new capital lease for a building which is described in Note 6.

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 new equipment.

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Long-term liability administration detail can be found in Note 7 on page 28. JWB's long-term obligations include accrued vacation and sick leave pay as well as several small leases payable for copier equipment. JWB has no other long-term debt.

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ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution restricting property taxation effective October 1, 2008. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current \$25,000 homestead exemption by another \$25,000 (for property values between \$50,000 - \$75,000), except for school district taxes. Since the new \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of \$240 for an average homeowner.

Amendment 1 also allows property owners to transfer (make portable) up to \$50,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less.

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With respect to non-homestead property, effective on January 1, 2008, Amendment 1 limits the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property. Based on information received from the Pine Lias County Property Appraiser's Office and maintaining JWB's current millage rate, the estimated annual loss of property tax

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revenues for our special district from the additional homestead exemption and the \$25,000 exemption for tangible personal property is approximately \$5 million. At present, there is no accurate way to determine the impact of the portability and assessment cap on non-homestead property provisions in terms of potential loss of property tax revenues. Estimates for our special district range from 1.2% to 2.2% annually which could

translate into an additional loss of property tax revenues of \$1 million.

Other factors must also be considered in preparation of the JWB's fiscal year 2008-2009 budget. According to a St. Petersburg Times article, a general decline is projected in the real estate market in Pinellas County through 2010. Florida's tourism may see a 2 to 4 percent dip. The slowing economy brought the current unemployment rate to 6.7% in Pinellas County. Lastly, the interest rates continue to decline and limit the yield capability for the investment budget.

The current valuation for fiscal year 2008-2009 is \$73.3 billion which is an overall decrease of 8.49%. With a Board approved increase in millage rate, the results of legislation still affect a decrease of \$1 million in tax revenue to JWB from the prior year. The adopted fiscal year 2008-2009 budget reflects a sufficient funding level to support the major initiatives of JWB, but is conservative in its use of tax dollars. For fiscal year 2009, the budget reflects a millage increase to .7915 mills from the prior year millage rate of .7384 mills. The overall operating budget is \$68.4 million, an increase of .9% over the budget for fiscal year 2008 and 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 website at: www.jwbpinellas.org.

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Statement of Net Assets
0 September 30, 2008
(with comparative summarized financial information for 2007)
U Primary
Primary government Government
Governmental Business-type 2008 2007
0 Assets activities activities Total Total
Cash and cash equivalents \$ 7,328,858 \$ \$ 7,328,858 \$ 4,586,257

Investments	13,038,187	13,038,187	18,838,125	
Due from other governments	614,555	33,689	648,244	415,271
Due from other agencies	64,067	64,067	66,774	
Receivables	35,062	35,062	20,498	
Other leases	91,343	91,343	33,010	
Internal balances	(1,452,440)	1,452,440		
Capital assets				
Non-depreciable	434,296	434,296	434,296	
Depreciable, net of accumulated depreciation	3,984,132	1,297,719	5,281,851	1,546,866
Total assets	23,703,764	3,218,144	26,921,908	25,941,097
Liabilities				
Payable to Agencies	9,069,443	9,069,443	8,141,415	
Accounts payable	332,886	332,886	299,244	
Other payables	49,769	49,769	3,809	
Accrued salary and benefits	202,437	8,821	211,258	184,616
Deferred revenue	10,000	157,298	167,298	166,308
Due to component unit		242,848		
Long-term liabilities:				
Due within one year	49,133	49,133	25,718	
Due in more than one year	344,484	20,259	364,743	313,845
Total liabilities	10,058,152	186,378	10,244,530	10,197,803
Net Assets				
Invested in capital assets	3,984,132	1,732,015	5,716,147	1,981,162
Unrestricted	9,661,480	1,299,751	10,121,132	13,762,132
Total net assets	\$ 13,645,612	\$ 3,031,766	\$ 16,677,378	\$ 15,743,294

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, 2008
(with comparative financial information for 2007)

Assets	2008	2007
Cash and cash equivalents	\$ 7,328,858	\$ 4,586,256
Investments	13,038,187	18,838,125
Due from other governments	614,555	378,779
Due from other agencies	64,067	66,774
Receivables	35,062	20,498
Other assets	91,343	33,010
Total assets	\$ 21,172,072	\$ 23,923,442
Liabilities and Fund Balance		
Liabilities:		
Payable to Agencies	\$ 9,069,443	\$ 8,961,415
Accounts payable	332,886	299,087
Other payables	49,769	3,809
Accrued salary and benefits	202,437	181,196
Deferred revenue	10,000	10,000
Due to other funds	1,452,440	1,484,417
Due to component unit	242,848	
Total liabilities	11,116,975	11,182,772
Fund balance:		
Designated for Cooperman-Bogue	2,028	2,028
Designated for disability benefits	400,469	399,696
Designated for future years' expenditures	4,346,404	2,492,221
Designated for sick leave pool	39,778	84,914
Designated for building acquisition	3,000,000	
Designated for Emergency Reserve	5,266,418	6,761,811
Total fund balance	10,055,097	12,740,670
Total liabilities and fund balance	\$ 21,172,072	\$ 23,923,442

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

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JUVENILE WELFARE BOARD OF PINELLAS COUNTY

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

September 30, 2008

(with comparative financial information for 2007)

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2008

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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

Some long-term liabilities that are not due and payable in the current
period

activities consist of:

Capital leases

Compensated absences

Net assets of governmental activities

\$ 10,055,097

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3,984,132

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(41,573)

(352,044)

\$ 13,645,612

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

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2007

\$ 12,740,670

155,668

(319,510)

\$ 12,576,828

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JUVENILE WELFARE BOARD OF PINELLAS COUNTY

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

Year ended September 30, 2008

(with comparative financial information for 2007)

2008 2007

Revenues:

Property taxes (net of fees) \$ 56,169,705 \$ 57,077,653

Fees 46,850 47,588

Intergovernmental 164,534 249,800

Interest income 679,761 1,676,861

Other 18,457 3,066

Total I revenues 57,079,307 59,054,968

Expenditures:

Administration 5,364,146 5,262,922

Children and family programs 50,494,423 50,353,226

Capital outlay 106,071 134,267

Total expenditures 55,964,640 55,750,415

Excess of Revenues over expenditures 1,114,667 3,304,553

Other Financing Sources (Uses)

Capital lease – St. Petersburg College (3,800,240)

Excess of Revenues under expenditures

and Other Uses (2,685,573) 3,304,553

Fund balance – beginning of year 12,740,670 9,436,117

Fund balance – end of year \$ 10,055,097 \$ 12,740,670

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

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JUVENILE WELFARE BOARD OF PINELLAS COUNTY

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Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance
of Governmental Fund to the Statement of Activities
Year ended September 30, 2008
(with comparative financial information for 2007)

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	2008	2007
Net change in fund balance – General Fund	\$ (2,685,573)	\$ 3,304,553
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	106,071	134,267
Capital lease	3,800,240	
Depreciation expense	(77,847)	(55,538)
Compensated absences and lease 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	(74,107)	(24,834)
Change in net assets in governmental activities	\$ 1,068,784	\$ 3,358,448

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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
Year ended September 30, 2008
(with comparative financial information for 2007)

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	49th Street	Pinellas Park	2008	2007
	Buildin2	Buildin2 Non-Maior	Total	Total
Assets				
Current assets:				
Due from other governments	\$ 8,337	\$ 25,352	\$ 33,689	\$ 36,492
Due from other funds	1,321,987	282,474	1,604,461	1,601,025
Noncurrent assets:				
Land and improvements	243,496	189,800	434,296	434,296
Building and improvements	861,552	2,137,396	2,998,948	2,993,843
Furniture, fixtures, and equipment	16,880	83,152	100,032	146,269
Accumulated depreciation	(863,724)	(942,039)	(1,805,763)	(1,847,498)
Total assets	1,588,528	1,469,309	3,057,837	3,463,011
liabilities				
Current liabilities:				
Accounts payable	0	156	156	156
Accrued liabilities	6,187	2,634	8,821	3,420
Deferred revenue	20,781	136,517	157,298	156,308
Due to other funds	152,021	152,021	304,042	116,608
Noncurrent liabilities:				
Accrued absences	20,085	174	20,259	20,053

Total liabilities	20,781	178,293	139,325	338,399	296,545
Net assets					
Investment in capital assets	258,204	1,469,309	4,502	1,732,015	1,825,494
Unrestricted (deficit)	1,309,543	(178,293)	168,501	1,299,751	1,340,972
Total net assets	\$ 1,567,747	\$ 1,291,016	\$ 173,003	\$ 3,031,766	\$ 3,166,466

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, 2008
(with comparative financial information for 2007)

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	49th Street Buildin~	Pinellas Park Buildin~	2008 Non Major	2007 Total	Total
Operating revenues:					
Charges for services	\$ 250,213	\$ 429,316	\$ 438,210	\$ 1,117,739	\$ 1,229,026
Interest revenue	7,057	7,057	11,795		
Miscellaneous	1,853	1,853			
Total operating revenue	250,213	429,316	447,120	1,126,649	1,240,821
Operating expenses:					
Personnel services	196,222	83,625	279,847	225,761	
Contractual services	171,226	64,905	315,628	551,759	474,784
Utilities	45,481	134,834	163	180,478	199,108
Supplies	268	10,594	4,489	15,351	23,858
Repairs and maintenance	31,002	57,168	88,170	68,014	
Other operating expenses	12,371	28,386	6,403	47,160	38,605
Depreciation	2,456	86,989	9,139	98,584	93,300
Total operating expenses	262,804	579,098	419,447	1,261,349	1,123,430
Change in net assets	(12,591)	(149,782)	27,673	(34,700)	117,391
Net assets - beginning of year	3,166,466	3,049,075	1,580,338	1,440,798	145,330
Net assets - end of year	\$ 1,567,747	\$ 1,291,016	\$ 173,003	\$ 3,031,766	\$ 3,166,466

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, 2008

(with comparative summarized financial information for 2007)

	49th Street Building	Pinellas Park Building	Non Major	2008 Total	2007 Total
Cash flows from operating activities:					
Receipts from customers	\$ 242,866	\$ 429,316	\$ 438,710	\$ 1,110,892	\$ 1,265,835
Payments to vendors	(260,348)	(296,100)	(328,006)	(884,454)	(850,882)
Payments to employees	(190,035)	(82,825)	(272,860)	(205,878)	
Net cash provided by (used in) operating activities	(56,819)	27,879	(46,422)	209,075	(17,482)
Cash flows from noncapital financing activities:					
Decrease (Increase) in due from other funds	22,587	56,819	(27,879)	51,527	(146,215)
Net cash provided by (used in) noncapital financing activities	22,587	56,819	(27,879)	51,527	(146,215)
Cash flows from capital and related financing activities:					
(Acquisition) Disposition of capital assets	(62,860)			(5,105)	(5,105)
Net cash used in capital and related financing activities	(62,860)			(5,105)	(5,105)
Cash and cash equivalents – beginning of year					
Cash and cash equivalents – end of year	\$	\$	\$	\$	\$
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Cash flows from operating activities:					
Operating income (loss)	\$ (12,591)	\$ (149,782)	\$ 27,673	\$ (134,700)	\$ 117,391
Adjustments to reconcile operating income (loss)					

to net cash provided by operating activities:

Depreciation	2,456	86,989	9,139	98.584	93.300	
Decrease (increase) in due from other agencies/governments	(8,337)		(8,410)	(16,747)	25.014	
Increase (decrease) in accounts payable				(156)	(156)	(29,844)
Increase (decrease) in accrued liabilities				4,090	1,311	5.401
						(15,346)
Increase (decrease) in deferred revenue				990	990	
Increase (decrease) in accrued absences				2,040	(1,834)	206
						18,560
Total adjustments	(4,891)	92,963	206	88.278	91,684	
Net cash provided (used in) operating activities						\$ (17,482) \$ (56.819)
						\$ 27,879 \$ \$ (46,422) \$ 209.075

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

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Notes to Financial Statements

September 30, 2008

(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.

During fiscal year 2006/07, the Pine lias County License Board (PCLB) was a component unit of the Juvenile Welfare Board. PCLB applied and received recognition as an independent special district in the State of Florida. Since it is no longer recognized as a component unit of the Juvenile Welfare Board, the PCLB is not included in the JWB's reporting entity or financial statements.

(b) Basis of Presentation

Government-Wide Financial Statements

The statement of net assets and the statement of activities report information on the primary government. 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 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.

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JUVENILE WELFARE BOARD

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Notes to Financial Statements

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September 30, 2008

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:

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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 now expires in fiscal 2009. The 49th Street building was listed for sale in 2007. See Note 14 regarding the sale of the building in December 2008.

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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 and to the agencies of Coordinated Child Care and Head Start, all of which lease space in the facility. The Pinellas Park building was listed for sale in 2007. The administration of JWB moved to a new location in December 2008. Upon sale of this building, dollars available in unrestricted fund balances will be used to fund future services to children and families.

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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 entered into agreements with various CSC's and JWB funded agencies to provide alternative methods for delivering training. The purpose was to allow access to training classes over the web when convenient and avoid extended periods away from the office for training. The fees generated from the agreements supported the operation and development of a majority of the courses requested. Due to the lack of productivity and cost effectiveness, JWB discontinued operations in May 2008. The deficit was absorbed by the General fund.

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(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 earned, and expenses are recognized when 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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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. 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:

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2008

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

Budgetary control is maintained at the program level. The Executive Director or 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 \$42,000 during fiscal

2008.

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2008

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(e) Cash and Cash Equivalents

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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.

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(f) Investments

Investments are reported at fair value.

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(g) Capital Assets

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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:

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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

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(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.

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(i) Fund Balance

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

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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.

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2008

(k) Use of Estimates

Management of JWB has made certain 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 2007

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, 2007, from which the summarized information was derived.

(3)

Deposits and Investments

The bank and book balances were as follows at September 30, 2008:

Deposits with commercial banks (book balance)
Petty cash
Book balance
Bank balance of deposits in commercial banks

\$7,328,758
100
\$ 7,328,858
\$ 7,407,555

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. The JWB accounts include a corporate control account and several zero balance commercial checking accounts (ZBA) which are automatically maintained at a zero balance. At the end of a business day, all transactions in the ZBA's are transferred to and from the control account. Yield income for the control account is based on the federal funds rate. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit eligible collateral with the Treasurer or another banking institution. In the event of a failure of one of the institutions holding public funds, the remaining public depositories would be responsible for covering any losses. JWB maintains a cash pool for the deposits of all governmental and enterprise funds. Earnings from pooled cash are maintained in the general fund.

Investments

At September 30, 2008, the JWB had the following investments:

Fair
Value
\$ 6,185,407
6,386,037
466.743

Percentae:e
47%
49%
4%

Regions Money Market Fund in Treasuries only
Florida State Board of Administration (LGIP A)
Florida State Board of Administration (LGIP B)

Total

\$ 13.038.187

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2008

At September 30, 2008, JWB assets with Regions Morgan Keegans Trust includes short term investments in a Money Market U.S. Treasuries only account. The fund's yield rate as of that date was .93%.

The JWB also had \$6,852,780 invested in the State Board of Administration's (SBA) Local Government Surplus Funds Trust Fund Investment Pool (LGIP). 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. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A (LGIP) and

Pool B (Fund B). The LGIP consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Fund B consisted of assets that defaulted on a payment, paid more slowly than expected, and/or had significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. The LGIP is considered a SEC 2a7-like fund. The Fund B is accounted for as a fluctuating NAV pool. The Fair Value factor for September 30, 2008 was .798385 multiplied by the account balance. The account balance is \$584,609 which calculates to a fair value of \$466,743.

The 2008 legislative session created the Participant Advisory Council, a six-member panel to regularly review the administration of the LGIP and make recommendations to the Trustees of the SBA. It also mandated new guidelines for the pool structure to guarantee superior governance, quality investment management, and thorough, frequent reporting. During the year, the Trustees selected Federated Investors to manage the Pools and appointed a new Executive Director and CIO of the SBA.

Custodial Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debts. The risk is usually measured by the assignment of a rating by a nationally recognized statistical rating organization. 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 A1+/P1+ (prime I commercial paper) or better at the time of purchase.

The LGIP is rated by Standard and Poors. The current rating is AAAM. The LGIP Fund B is not rated by any nationally recognized statistical rating agency.

Interest Rate Risk

To maintain liquidity and limit exposure to fair value losses, JWB's investment policy limits operating funds to maturities of 180 days or less. Investments are expected to be prudent and to minimize default risk.

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2008

As of September 30, 2008, the Juvenile Welfare Board has \$6,386,037 and \$466,743 invested in LGIP and Fund B, respectively. The weighted average days to maturity of the LGIP at September 30, 2008 were 8.5 days. The weighted average life of Fund B at September 30, 2008 was 9.36 years. The LGIP yield rate is 2.43%. Fund B pays no interest in lieu of recovering its losses, An unrealized loss in

Fund B is recognized due to the uncertainty of recoverability in that fund. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration at <https://www.sbafla.com/pool>.

Concentration Risk

JWB's investment policy establishes the following investment diversification guidelines: State Investment Pool 75%, Repurchase agreement 50%; U.S. Treasury obligations 100%; U.S. Agency obligations 75%; Federal instrumentalities 75%; Prime Commercial paper 50%; Certificates of Deposit 25%; Money Market Funds 100%; and Time Deposits 25%. As of September 30, 2008, all JWB investments were in compliance with JWB's investment policy and did not exceed portfolio allocation.

(5)

Interfund Receivables and Payables

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

Receivable fund	Pavable fund
General	
General	
Pinellas Park Building	

Amount
282,474
1,321,987
(152,021)
\$ 1.452.440

SAMIS
49th Street Building
General

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

Capital Assets

In December 2007, JWB entered into a lease agreement with St. Petersburg College (the "College") whereby the College will lease a building located at 14155 58th Street North in Clearwater. The lease term is for 99 years which commenced on December 2008, the date of occupancy. The leased facility will be used for administrative office space. JWB has paid \$3,800,240 to the St. Petersburg College Foundation (the Foundation) which has been used for the modifications and improvements to the leased premises. In addition, JWB's base rent for the leased premises, throughout the lease term will be \$1 per year. JWB will also pay an operating fee for utilities, maintenance and other services based upon the gross square footage occupied and as prescribed by the Association of Higher Education Facilities Office.

It was determined that the substance of the lease agreement satisfies the criteria of a capital lease. The \$3,800,240 payment to the Foundation was recorded as other financing sources on the general fund financial statement and was capitalized on the government-wide financial statements. The amount capitalized will be amortized over the life the leasehold improvements which is approximately forty years.

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JUNENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2008

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Capital asset activity for the year ended September 30, 2008 was as follows:

Governmental activities

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October 1,
2007

Additions

Disposals

September 30,
2008

Capital assets being depreciated:

Furniture, fixtures, and equipment \$478,118 \$ 52,410 \$ 23,293 \$
507,235

Capital lease—equipment 53,661 53,661

Capital lease—St. Petersburg College 3,800,240 3,800,240

Total capital assets 478.1 18 3,906.311 23,293 4J6L136

Less accumulated depreciation:

Furniture, fixtures, and equipment 322,450 77,847 23,293 377,004

Capital lease —

—

Capital assets, net \$155.668 \$3.828.464 \$ \$3.984.132

Business-type activities

October 1,
2007

Additions

Disposals

September 30,
2008

Capital assets not being depreciated:

Land and improvements

Capital assets being depreciated:

Building and improvements

Furniture, fixtures and equipment

Total capital assets

\$ 434,296

\$

\$

\$ 434,296

2,993,843

150,023

3,578.162

5,105

2,998,948

146,269

3,579,513

3,754

5,105 3,754

Less accumulated depreciation:

Building and improvements

Furniture, fixtures and equipment

Capital assets, net

1,702,170

50,498

\$ 1.825.494

73,427

25.1 57

\$(93.479)

3,754

1,775,597

71.901

\$ 1.732.015

\$

Depreciation was charged to the following functions:

General government
Administration \$ 77.847

Business activities
SAMIS \$ 9,139
49th Street Building 2,456
Pinellas Park Building 86,989
\$ 98.584

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2008

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Long-Term Liabilities

As a benefit, JWB offers annual leave and sick leave accruals. JWB is committed under three lease

agreements for copier equipment. All three have been determined as capital leases.

The following is a schedule of changes in long-term liabilities for fiscal year ended September 30, 2008,

Beginning	Ending	Due in			
Compensated absences - Balance			Increases	Decreases	balance one year
Governmental Fund	\$319,510	\$73,423	\$40,889	\$352,044	\$38,353
Enterprise	20,053	206	-	20.259	

Total \$339.563 \$11,111 \$40.889 \$372.303 \$38.353

Beginning	Ending	Due in			
Capital Leases - Equipment Balance			Increases	Decreases	balance one year
Governmental Fund	\$ -	\$111	\$ -	\$11.111	\$ -

(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. Two 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 3% 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 will use the alternative measurement method to determine the estimated obligation associated with post-employment health care benefits as well as the actuarially required contribution (ARC) for funding this obligation. Implementation of GASB 45 for JWB will be FYE 9/30/09.

Employee Retirement Plan

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. Employees are not obligated to contribute to the plan. Since June 1, 2002, the System began offering a new retirement plan option, the Florida Retirement System (FRS) Investment Plan, as an alternative to the traditional

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2008

retirement plan. Under this plan, the employer makes contributions to an account set up in the participant's name, and the participant controls where the

contributions are invested among the plans investment funds. New employees are by default enrolled in the defined benefit plan; however, they will have five months after the month of hire to elect to participate in the FRS Investment Plan.

Contribution rates are established statewide for all participating governmental units. These rates are applied to employee salaries as follows: regular employees 9.85%, special risk employees 20.92%, elected officials 16.53%, senior management 13.12% and DROP employees 10.91%. JWB is required to contribute an actuarially determined rate. The actuarially determined contributions required and made by JWB for the years ending September 30, 2008, 2007, and 2006 were \$429,015, \$495,177, and \$391,736, respectively.

Benefits are based upon age, years-of-service credit and average compensation, which is computed using the individual's five highest yearly earnings. Benefits are established by Chapter 121, Florida Statutes and Chapter 22B, Florida Administrative Code. Average final compensation is the employee's average of the five highest years of salary earned during credited service. Early retirement is available after 6 years of service with a 5% reduction of benefits for each year prior to the normal retirement age.

Effective July 1, 1998, the System instituted the Deferred Retirement Option Program (DROP), which provides an alternative method for payment of retirement benefits for up to 60 months after a member reaches normal retirement date. DROP allows eligible employees to save all retirement benefits plus interest for up to 60 months while continuing employment with a participating employer and receiving a salary. Regular monthly retirement benefits are determined at the time the employee enters DROP. At termination of employment, the employee will receive payment of the accumulated DROP benefits, and begin receiving their monthly retirement benefit.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The most recent available report is for the plan year ended June 30, 2007. That report may be obtained by writing to Division of

Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000, by calling (877) 377-1737, or accessing their Internet site at www.frs.state.fl.us.

Operating Lease -Rent Income

JWB, as a lessor, has a lease agreement on its Pine lias Park administrative office facilities which expires in fiscal 2009.

Rent subsidy is provided to the Coordinated Child Care and Headstart programs that have the lease agreements at the Pine lias Park administrative office. In fiscal 2008, the rent for these two entities was \$247,450. The differential in subsidy for each is \$112,289 and \$38,354 respectively.

The Pinellas Park facility was listed for sale during 2008. As of September 30, 2008, a contract for sale has not occurred. In December 2008, the listing agreement with the realtor to sell the Pinellas Park building expired. Currently, the contract has not been renewed. The JWB administrative office has been moved to the new location in Clearwater and the building is completely vacated.

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2008

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 2008 Budget Resolution appropriated the amount of \$4,346,404 from the fiscal 2008 year fund balance for expenditures authorized in excess of anticipated revenue during fiscal year 2009 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.

(c) Designated for Emergency Reserve

The Board fund balance policy creates an emergency reserve to be maintained at a minimum of 3% and a maximum of 10% of the budgeted expenditures of the immediate succeeding fiscal year for any unexpected emergency events.

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, 2008, a rate of 0.7384 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.

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JUVENILE WELFARE BOARD

Notes to Financial Statements

September 30, 2008

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

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 11 b.

Subsequent Event

JWB sold the 49th Street building on December 15,2008 for \$2,520,000. The dollars available in the unrestricted fund balance from the sale will be used to provide services to children and families in fiscal 2009.

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JUVENILE WELFARE BOARD OF PINELLAS COUNTY

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Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual– General Fund (Budgetary Basis)
Year ended September 30,2008

(Unaudited)

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	Variance with final budget			
	Original budget	Final budget	favorable Actual	(unfavorable)
Revenues:				
Property taxes	\$ 57,126,931	\$ 57,126,931	\$ 57,301,584	\$ 174,653
Fees	50,000	50,000	46,850	(3,150)
Intergovernmental	133,000	173,000	164,534	(8,466)
Interest income	1,200,000	1,200,000	679,761	(520,239)
Other	12,000	14,000	18,457	4,457
Total revenues	58,521,931	58,563,931	58,211,186	(352,745)
Expenditures:				
Current:				
Administration	5,385,047	5,384,051	5,124,550	259,501
Childrens' programs	53,777,441	53,817,441	50,494,423	3,323,018
Nonoperating	8,716,002	4,812,687	1,371,475	3,441,212
Capital outlay	3,906,311	3,906,311		
Total expenditures	67,878,490	67,920,490	60,896,759	7,023,731
Net change in fund balance	\$ (9,356,559)	\$ (9,356,559)	(2,685,573)	\$ (7,376,476)
Fund balance – beginning of year			12,740,670	
Fund balance – end of year			\$ 10,055,097	

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CERTIFIED PUBLIC
ACCOUNTANTS &
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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, 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, 2008, which collectively comprise Juvenile Welfare Board of Pinellas County, Florida's basic financial statements and have issued our report thereon dated February 3, 2009. 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 JWB'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 JWB's financial statements that is more than inconsequential will not be prevented or detected by the JWB'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 JWB'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 over financial reporting 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.

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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 report 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 state agencies, and is not intended to be and should not be used by anyone other than those specified parties.

Tampa, Florida
February 3, 2009

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CERTIFIED PUBLIC
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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, 2008, and have issued our report thereon dated February 3, 2009.

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, which is dated February 3, 2009, 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, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's report or schedule:

Section 10.554(1)(i)1) Rules of the Auditor General, requires that we determined whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such matters reported in the preceding annual financial audit.

Section 10.554(1)(i)2) Rules of the Auditor General, requires our audit to include a review of the provisions of 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 test did not indicate that JWB was in noncompliance with Section 218.415 regarding the investment of public funds.

Section 10.554(1)(i)3) Rules of the Auditor General, requires that we address in a management letter any recommendations to improve JWB's financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4) Rules of the Auditor General, requires that we address violations of law, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

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Section 10.554 (1)(i)5) Rules of the Auditor General, provides that an auditor may based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, and (2) control deficiencies that are not significant deficiencies, including, but not limited to: (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); (b) failures to properly record financial transactions; and (c) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with the audit, we did not have any such findings.

Section 10.554(1)(i)6) Rules of the Auditor General, requires 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.

Section 10.554(1)(i)7.a.) Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and the identification of the specific conditions met. In connection with our audit, the results of our tests did not indicate that JWB met any of the conditions described in Section 218.503 (1), Florida Statutes. However, our audit does not provide a legal determination on JWB's compliance with this requirement.

Section 10.554(1)(i)7.b Rules of the Auditor General, requires that we determine whether the annual financial report for JWB for the fiscal year ended September 30, 2008, 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 fiscal year ended September 30, 2008. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied certain financial condition assessment procedures. It is management's responsibility to monitor JWB's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

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Tampa, Florida
February 3, 2009