

10. REPORTS TO BE RECEIVED FOR FILING:

- a. Pinellas Planning Council Basic Financial Statements and Regulatory Reports (audit) for the year ended September 30, 2013.
- b. Juvenile Welfare Board of Pinellas County Financial and Compliance Reports for the year ended September 30, 2013.

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Juvenile Welfare Board



Pinellas County

JUVENILE WELFARE BOARD

FINANCIAL AND COMPLIANCE REPORTS

For the Year Ended September 30, 2013

And Reports of Independent Auditor

JUVENILE WELFARE BOARD

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Report of Independent Auditor

Members of the Board
Juvenile Welfare Board of Pinellas County

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the general 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, 2013, and the related notes in the financial statements, which collectively comprise JWB's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 general fund and the aggregate remaining fund information of JWB, as of September 30, 2013 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Prior Year Comparative Information*

We have previously audited JWB's 2012 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the general fund, and the aggregate remaining fund information in our report dated January 23, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 10 and page 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise JWB's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2014, on our consideration of JWB's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering JWB's internal control over financial reporting and compliance.

Handwritten signature of Cherry Bekant in black ink, followed by the text "LLP".

Tampa, Florida
January 23, 2014

JUVENILE WELFARE BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2013
(UNAUDITED)

Our discussion and analysis of the financial performance of Juvenile Welfare Board ("JWB") provides an overview of the financial activities for the fiscal year ended September 30, 2013 and 2012. Please read it in conjunction with the financial statements which begin on page 11.

FINANCIAL HIGHLIGHTS

JWB's total net position decreased by \$825,056 (or 4%). The governmental activities include the JWB general fund and the Special Revenue Fund of Pinellas Core Management Services, Inc. ("PCMS"), a 501(c) (3) not-for-profit corporation, which is a blended component unit to the JWB's governmental activities. See Note 2b to the financial statements for further discussion. PCMS totals only .9% of net position.

The JWB's governmental activities total expenses of \$54,467,962 reflected an increase over the prior year by \$5,287,048 (or 11%). The total revenue increased by \$4,396,456 (or 9%). This is primarily due to a partnership with All Children's Hospital and Bayfront Medical Center for the opportunity to attract additional Medicaid funding for at-risk children and families and an increase in ad valorem tax revenue. PCMS revenue for the year totals 0.0005% of total governmental revenues, and expenses make up 4% of total governmental expenses.

The General Fund incurred a net decrease of \$787,601. Although revenues increased over the prior year, JWB planned for expenses that would be stabilized by use of the fund balance. The Special Revenue Fund – PCMS experienced a net decrease of \$8,725 resulting from general operating expense.

The General Fund expenditures budget was unspent by \$6,027,240. This lapse resulted from \$.1M in administration and technology, \$1.5M in children and families programming, \$2.2M in pooled initiatives of which the majority amount under-utilized occurred in the summer child care program, and \$2.2M that was transferred to PCMS for children and family program grants administered by the not-for-profit entity.

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: Management's Discussion and Analysis (MD&A), 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 that of a private sector business. The governmental fund includes the JWB general fund and the PCMS special revenue fund. 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. PCMS is a legally separate not-for-profit entity; however, it complies with the criteria as a blended component unit with JWB and is accounted for in the Special Revenue Fund of the governmental fund.

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

JUVENILE WELFARE BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2013
(UNAUDITED)

The *Statement of Activities* presents the change in JWB's net position 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 also recorded.

These two statements report JWB's net position and the changes thereof.

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 the governmental fund. The fund financial statements focus on major funds, not 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 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.

JWB uses the General Fund and the Special Revenue Fund to record governmental activities. The General Fund is used to account for all JWB financial resources except those required to be reported in another fund. The Special Revenue Fund is used to account for the activities of PCMS.

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

JWB adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided as supplementary information. The required supplementary information consists of the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual - General Fund (Budgetary Basis).

JUVENILE WELFARE BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2013
(UNAUDITED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The table below reflects the condensed Statement of Net Position compared to the prior year. As of September 30, 2013, assets exceeded liabilities by \$18.5 million. This is a decrease of \$825,056 over the prior year.

	Governmental Activities	
	2013	2012
Current and other assets	\$ 20,782,545	\$ 21,350,910
Capital Assets	3,785,604	4,010,764
Total assets	24,568,149	25,361,674
Other liabilities	5,573,381	5,418,753
Long-term liabilities	502,883	625,980
Total liabilities	6,076,264	6,044,733
Net position		
Net investment in capital assets	3,621,188	3,751,143
Unrestricted	14,870,697	15,565,798
Total net position	\$ 18,491,885	\$ 19,316,941

Current assets decreased by \$568,365 in 2013 due to a decrease in the note receivable and use of cash and investments during the fiscal year. The net investment in capital assets (land, buildings, furniture, and equipment) represents 20% of JWB's total net position. Capital assets decreased due to fewer additions than removal of furniture, equipment and building improvements, net of depreciation for the period. Total liabilities grew by \$31,531 due to an increase in accounts payable and payroll accruals which was partially offset by a decrease in payable to agencies. Unrestricted net position reduced by 4% from prior fiscal year. This represents the use of the net position to stabilize programming in FY 2012/13.

JUVENILE WELFARE BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2013
(UNAUDITED)

The following schedule reflects the condensed Changes in Net Position compared to the prior year. As of September 30, 2013, expenses exceeded revenues by \$825,056, a decrease of 4% over the prior year net position.

	Governmental Activities	
	2013	2012
Revenues:		
Program revenues:		
Charges for services	\$ 95,270	\$ 63,152
Operating grants and contributions	7,161,914	5,194,679
General revenues:		
Property taxes	46,176,320	43,814,897
Investment income	93,229	159,545
Miscellaneous	116,173	14,177
Total revenues	<u>53,642,906</u>	<u>49,246,450</u>
Expenses:		
Administration	6,972,395	6,507,317
Children & family programs	47,495,567	42,673,597
Total expenses	<u>54,467,962</u>	<u>49,180,914</u>
Increase (decrease) in net assets	<u>(825,056)</u>	<u>65,536</u>
Net position beginning	19,316,941	19,251,405
Net position ending	<u>\$ 18,491,885</u>	<u>\$ 19,316,941</u>

The total revenue for governmental activities increased by 9% from 2012 due to an augmented partnership with All Children's Hospital and Bayfront Medical Center which increased Medicaid dollars for low-income children and families. Property taxes are the main source of income for JWB at 86% of total revenues. Total expenses increased by 11% over the prior year due to full implementation of new initiatives which were started in the prior year.

Governmental Activities

The current property tax valuation for fiscal year 2013 was \$54.4 billion which is an overall decrease of 2.1%. This is due to continued reduction in property values which has occurred over the last four years.

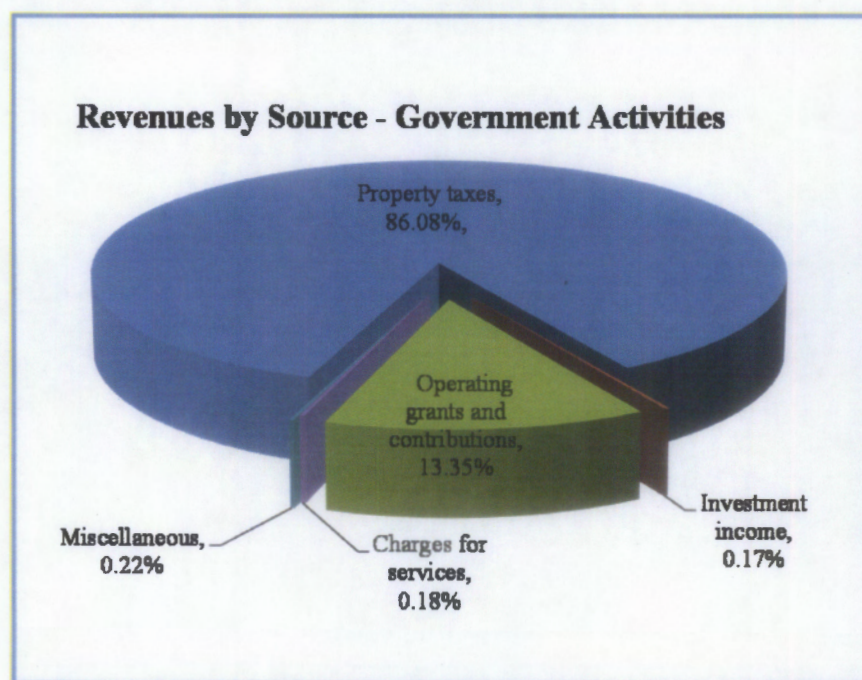
For fiscal year 2013, the budget reflects a millage rate of .8981 mills, which is an 8% increase over the prior year's rate. The Board approved an increase in millage rate because the decreasing property values produced declining revenues at a stabilized millage rate. The millage rate provides a plan for continuity of services in expectation of a future rise in property value. The overall initial operating budget is \$63 million, an increase of 21% over the amended budget for fiscal year 2012. The \$11 million budget increase included additional revenues as well as the property tax revenue.

JUVENILE WELFARE BOARD MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2013
(UNAUDITED)

Intergovernmental and grant revenue and contributions increased from \$5 million to \$7 million. JWB administered two small grants and partnered with All Children's Hospital and Bayfront Medical Center in order to attract additional Medicaid funding for at risk children and families.

JWB investment revenue decreased in yield from \$159,545 to \$93,229, or 42%, due to continued decline in the balance of investments during the year.

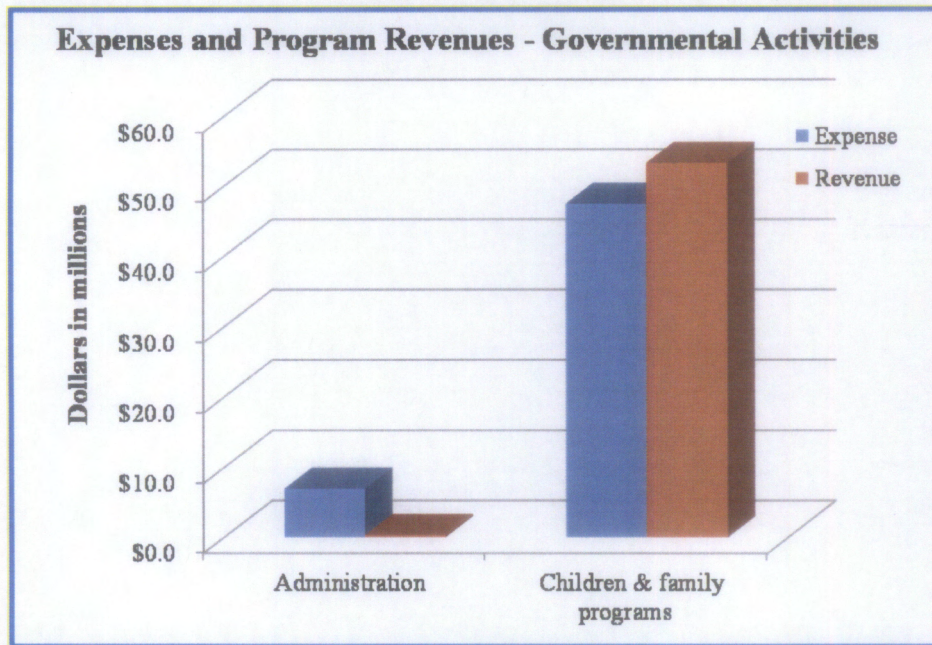


Property taxes remain the main revenue source for JWB. Other sources of revenue such as investment income and grants are a smaller portion of the overall revenue stream for the governmental activities. Expense along with these other revenue sources are presented in the chart on the following page.

JUVENILE WELFARE BOARD MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2013
(UNAUDITED)

The total expense of the governmental activities increased by \$5 million over the prior year. This expense growth is associated with the Medicaid program and full implementation of specialized initiatives.



Administrative expense increased by 9% which occurred from personnel benefit increases. The children and family program expense increased by \$5 million over 2012 in relationship to the Medicaid program and new initiatives. Program revenues increased from the property tax and Medicaid revenues.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

Budgetary Highlights

General Fund

At the end of fiscal year 2013, JWB's general fund balance was \$14.9 million (a decrease of \$787,601). An amount of \$4,875,217 was actually budgeted as a decrease in fund balance. The fund balance consists of non-spendable in the amount of \$840,058 and assignments in the amount of \$6,317,762 and \$3,310, and \$7,715,014 unassigned.

The JWB Board revised the budget of the General Fund during the year for an overall decrease in appropriations of \$4,242,834. All changes were completed by Board Action during the fiscal year. A majority of this reduction occurred due to a decrease in the original projection of intergovernmental transfer for the Medicaid program.

JUVENILE WELFARE BOARD MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2013
(UNAUDITED)

The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual General Fund (Budgetary Basis), which is found on page 29, reflects actual budget variances which are approximately \$6.2 million less than the final budget amounts. The revenue variance of \$176,653 is primarily due to delinquent property tax revenue realized and miscellaneous income from a health care rebate. The expenditure variance of \$6,027,240 includes 16.5% in reduced spending in administrative personnel costs and less technology expenditure in non-operating. The lapse of \$5.9 million in children and family programs occurred due to less expense in children and families programming, pooled initiatives which were under-utilized specifically in the summer child care program, and a transfer to PCMS for children and family program grants administered through the entity.

Special Revenue Fund (Pinellas Core Management Services, Inc.)

There is a minimal fund balance which originally was assumed under the transition of PCMS to JWB in FY 2009/10. Increasing revenue activity in FY 2011/12 requires it to be recognized in the Special Revenue Fund. See Note 2 of the financial statements for further discussion. The Special Revenue Fund balance at September 30, 2013 is \$157,898. This is because the majority of all expenditures incurred are either reimbursable by funders or through transfer from the General Fund.

Capital Assets

JWB's investment in capital assets for the governmental activities is \$3.8 million, net of accumulated depreciation. This represents a \$225,160 decrease net of depreciation from September 30, 2012. The chart below includes land, buildings, improvements, and equipment with the accumulated depreciation deducted.

	Governmental Activities	
	2013	2012
Furniture, fixtures, and equipment	\$ 162,853	\$ 272,603
Capital lease - Equipment	31,960	45,568
Capital lease - St. Petersburg College	3,590,791	3,692,593
Total	\$ 3,785,604	\$ 4,010,764

JWB's capital technology expenditures in fiscal 2013 included costs for computer hardware and software. The increase occurred from the addition of updated equipment.

Long-Term Liability Administration

This detail can be found in Note 8 to the financial statements. JWB's long-term obligations include accrued vacation and sick leave pay, several small leases payable for copier equipment, and a note payable for building improvement.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

JWB has historically derived nearly all of its revenues from property taxes, but over the last several years due to depressed property valuation, revenue maximization efforts have diversified the base through the Intergovernmental Transfer Program ("IGT"). The IGT adds \$5.2M to the budget in FY13/14 equal to the amount in FY12/13. It is important to seek every possible solution to maintain children's services, retain staff, and keep operating costs down in an environment where health insurance costs rise each year, and there are inflationary costs built into rent and other operating expenses.

JUVENILE WELFARE BOARD MANAGEMENT'S DISCUSSION AND ANALYSIS

*SEPTEMBER 30, 2013
(UNAUDITED)*

On the November 2012 General Election Ballot, eleven amendments were proposed for vote to be effective for the 2013 tax roll. Three amendments passed. Amendment 2 would expand the discount for veterans disabled due to combat injury to include those who were not Florida residents when they entered the military. This benefit provides a percentage discount in property taxes equal to the percentage of a veteran's partial or total permanent combat related disability. Amendment 9 allows for homestead property tax exemption for the surviving spouse of a military veteran or first responder. Amendment 11 exempts 100% of the assessed value of the property, if the property value is less than \$250,000, has been the owner's permanent residence for at least 25 years, the owner is 65, and the owner's household income is less than the limit established for the low-income senior exemption. Each of these exemptions can have an effect on future property tax revenue.

The Pinellas County property value declined by a third over a six-year period, but for FY 13/14, the valuation now reflects an increase. The current property tax valuation for fiscal year 2014 is \$56.2 billion which is an overall increase of 3.4%. With the property value increase, the Board adopted a fiscal year 2014 budget that maintains the prior-year millage rate. This effort, along with the use of the fund balance, will provide a sufficient funding level to support the major initiatives of JWB and to focus primarily on quality initiatives and child care for the most at-risk children.

REQUESTS FOR INFORMATION

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, 14155 58th Street North, Clearwater, FL 33760 or visit our website at: www.jwbpinellas.org

JUVENILE WELFARE BOARD
STATEMENT OF NET POSITION

SEPTEMBER 30, 2013

(WITH COMPARATIVE SUMMARIZED FINANCIAL INFORMATION FOR 2012)

	Governmental Activities	
	2013	2012
	Total	Total
ASSETS		
Cash	\$ 17,334,177	\$ 13,683,302
Investments	1,660,780	5,622,442
Due from other governments	567,231	499,244
Due from other agencies	201,821	17,124
Receivables	44,237	65,113
Other assets	10,198	8,011
Note receivable:		
Due within one year	124,043	450,723
Due in more than one year	840,058	1,004,951
Capital assets, net of accumulated depreciation	3,785,604	4,010,764
Total assets	<u>24,568,149</u>	<u>25,361,674</u>
LIABILITIES		
Payable to agencies	1,012,334	3,525,034
Accounts payable	4,318,755	1,450,752
Other payables	66,595	274,239
Accrued salary and benefits	175,697	168,728
Long-term liabilities:		
Due within one year	178,062	132,207
Due in more than one year	324,821	493,773
Total liabilities	<u>6,076,264</u>	<u>6,044,733</u>
NET POSITION		
Net investment in capital assets	3,621,188	3,751,143
Unrestricted	14,870,697	15,565,798
Total net position	<u>\$ 18,491,885</u>	<u>\$ 19,316,941</u>

JUVENILE WELFARE BOARD
STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2013
(WITH COMPARATIVE SUMMARIZED FINANCIAL INFORMATION FOR 2012)

Functions/Programs	Expenses	Program Revenues		2013	2012
		Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
				Primary Government	Primary Government
Primary government:					
Governmental activities:					
Administration	\$ 6,972,395	\$ 95,270	\$ -	\$ (6,877,125)	\$ (6,444,165)
Children and family programs	47,495,567	-	7,161,914	(40,333,653)	(37,478,918)
Total primary government	<u>\$ 54,467,962</u>	<u>\$ 95,270</u>	<u>\$ 7,161,914</u>	<u>(47,210,778)</u>	<u>(43,923,083)</u>
General revenues:					
Property taxes				46,176,320	43,814,897
Investment income, net				93,229	159,545
Miscellaneous				116,173	14,177
Total general revenues				<u>46,385,722</u>	<u>43,988,619</u>
Change in net position				(825,056)	65,536
Net position – beginning of year				19,316,941	19,251,405
Net position – end of year				<u>\$ 18,491,885</u>	<u>\$ 19,316,941</u>

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

JUVENILE WELFARE BOARD
BALANCE SHEET – GOVERNMENTAL FUNDS

SEPTEMBER 30, 2013
(WITH COMPARATIVE SUMMARIZED FINANCIAL INFORMATION FOR 2012)

	Major Fund	Non-Major Fund		
	General Fund	Special Revenue Fund	2013	2012
ASSETS				
Cash and cash equivalents	\$ 17,162,921	\$ 171,256	\$ 17,334,177	\$ 13,683,302
Investments	1,660,780	-	1,660,780	5,622,442
Due from other governments	392,109	-	392,109	397,455
Due from other agencies	201,821	-	201,821	17,124
Receivables	20,703	23,534	44,237	65,113
Other receivables	10,198	-	10,198	8,011
Due from other funds	3,904	(3,904)	-	-
Notes receivable:				
Due within one year	124,043	-	124,043	450,723
Due in more than one year	840,058	-	840,058	1,004,951
Total assets	<u>\$ 20,416,537</u>	<u>\$ 190,886</u>	<u>\$ 20,607,423</u>	<u>\$ 21,249,121</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Payable to agencies	\$ 1,012,334	\$ -	\$ 1,012,334	\$ 3,525,034
Accounts payable	4,318,755	32,988	4,351,743	1,450,752
Other payables	33,607	-	33,607	274,239
Accrued salary and benefits	175,697	-	175,697	168,728
Total liabilities	<u>5,540,393</u>	<u>32,988</u>	<u>5,573,381</u>	<u>5,418,753</u>
Fund balance:				
Non-spendable	840,058	-	840,058	1,004,951
Assigned for future years' expenditures	6,317,762	157,898	6,475,660	4,555,120
Assigned for Spence Award	3,310	-	3,310	-
Assigned for PCMS	-	-	-	166,623
Unassigned	7,715,014	-	7,715,014	10,103,674
Total fund balance	<u>14,876,144</u>	<u>157,898</u>	<u>15,034,042</u>	<u>15,830,368</u>
Total liabilities and fund balance	<u>\$ 20,416,537</u>	<u>\$ 190,886</u>	<u>\$ 20,607,423</u>	<u>\$ 21,249,121</u>

JUVENILE WELFARE BOARD**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND TO THE
STATEMENT OF NET POSITION***SEPTEMBER 30, 2013**(WITH COMPARATIVE SUMMARIZED FINANCIAL INFORMATION FOR 2012)*

	<u>2013</u>	<u>2012</u>
Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balance – governmental fund	\$ 15,034,042	\$ 15,830,368
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund	3,785,604	4,010,764
Accounts receivable shown in governmental activities were not financial resources, therefore, were not reported in the governmental funds	175,122	101,789
Some long-term liabilities that are not due and payable in the current period activities consist of:		
Capital leases	(34,518)	(47,791)
Other non-current liabilities	(129,898)	(211,830)
Compensated absences	<u>(338,467)</u>	<u>(366,359)</u>
Net position of governmental activities	<u>\$ 18,491,885</u>	<u>\$ 19,316,941</u>

JUVENILE WELFARE BOARD**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS**

YEAR ENDED SEPTEMBER 30, 2013

(WITH COMPARATIVE SUMMARIZED FINANCIAL INFORMATION FOR 2012)

	Major Fund	Non-Major Fund		
	General	Special		
	Fund	Revenue	2013	2012
	Fund	Fund		
Revenues:				
Property taxes, net of fees	\$ 46,176,320	\$ -	\$ 46,176,320	\$ 43,814,897
Fees	21,937	-	21,937	18,152
Intergovernmental	1,177,669	-	1,177,669	1,133,706
Grant and contribution revenue	5,984,244	-	5,984,244	3,959,184
Investment income, net	92,976	253	93,229	159,545
Other	116,174	-	116,174	14,177
Total revenues	53,569,320	253	53,569,573	49,099,660
Expenditures:				
Administration	6,841,777	8,978	6,850,755	6,290,032
Children and family programs	45,379,290	2,116,277	47,495,567	42,673,597
Capital outlay	19,577	-	19,577	398,236
Total expenditures	52,240,644	2,125,255	54,365,899	49,361,865
Excess (deficiency) of revenues over expenditures	1,328,676	(2,125,002)	(796,326)	(262,205)
Other financing sources				
Transfers in (out)	(2,116,277)	2,116,277	-	-
Capital lease	-	-	-	251,457
Total other financing sources	(2,116,277)	2,116,277	-	251,457
Excess of expenditures over revenues and other sources	(787,601)	(8,725)	(796,326)	(10,747)
Fund balance – beginning of year	15,663,745	166,623	15,830,368	15,841,115
Fund balance – end of year	\$ 14,876,144	\$ 157,898	\$ 15,034,042	\$ 15,830,368

JUVENILE WELFARE BOARD**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES***YEAR ENDED SEPTEMBER 30, 2013**(WITH COMPARATIVE SUMMARIZED FINANCIAL INFORMATION FOR 2012)*

	<u>2013</u>	<u>2012</u>
Amounts reported for governmental activities in the statement of net position are different because:		
Net change in fund balance	\$ (796,326)	\$ (10,747)
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	19,577	177,196
Capital lease	-	251,457
Depreciation expense	(244,737)	(268,416)
Revenues shown in governmental activities were not financial resources and, therefore, were not reported in the governmental funds.	73,333	101,789
The issuance of long-term debt (capital leases) provides current financial resources to governmental funds, while the repayment of the principle of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.	-	(211,830)
Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the General Fund. In the current period these amounts are:		
Compensated absences	27,892	13,034
Lease expense	95,205	13,053
Change in net position in governmental activities	<u>\$ (825,056)</u>	<u>\$ 65,536</u>

JUVENILE WELFARE BOARD

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

Note 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.

On January 1, 2010, JWB became the governing board of Pinellas Core Management Services, Inc. (“PCMS”), a 501(c)(3) not-for-profit entity. PCMS receives and administers federal, state, and local grants and other funds and administers programs or pass through funding to other 501(c)(3) organizations in the core service areas of parent support and skills training, family literacy services, economic development activities, child development activities, outreach, and other activities to benefit low-income families and children in Pinellas County, Florida.

Note 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:

Reporting Entity and Its Operations – The financial reporting entity consists of the primary government and any organizations for which the primary government is financially accountable in accordance with the provisions of Statement No. 61 of the Governmental Accounting Standards Board (“GASB”), *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, the (“Statement”). Component units are defined by the Statement as legally separate organizations for which the elected officials of the primary government appoint the majority of the organization’s board and in which a financial benefit and burden relationship between the primary government and the organization exist. There is one component unit included in the JWB reporting entity, PCMS.

PCMS is a separate 501(c)(3) not-for-profit corporation, which is reported as a blended component unit, specifically a special revenue fund, of the JWB. Based on the criteria with respect to the determination of component units, PCMS has been included as a blended component unit and is accounted for as a special revenue fund. The governing body of PCMS is substantively the same as the governing body of the primary government. PCMS provides services entirely, or almost entirely, to the benefit of JWB even though it does not provide services directly to it. JWB management retains the operational responsibility of PCMS activities.

The Juvenile Welfare Board is an independent taxing authority governed by an eleven-member board. Five members are appointed by statute, and six are appointed by the Governor of Florida. JWB has complete authority to hire management and all other employees. It is empowered by Florida Statute to levy ad valorem taxes against property tax owners in Pinellas County and is independent of the County. JWB is a primary government and is not a component unit of the County.

Basis of Presentation – The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with JWB’s financial statements for the year ended September 30, 2012, from which the summarized information was derived.

JUVENILE WELFARE BOARD

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

Note 2 – Summary of significant accounting policies and practices (continued)

Government-Wide Financial Statements

The statement of net position and the statement of activities report information on the primary government. Eliminations have been made to reduce the effect of inter-fund activities. These statements distinguish between governmental activities, normally financed through taxes, intergovernmental revenues and other non-exchange activities.

The statement of activities presents comparison of direct expenses and program revenues for each function of JWB's governmental activities. Direct expenses are those associated with a specific function or program. Program revenues include: (1) charges for services paid to JWB for goods or services and (2) 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. A separate financial statement is presented for the governmental category. Separate columns are presented for major and non-major governmental funds.

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

Measurement Focus and Basis of Accounting – The government-wide 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. 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.

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 its General and Special Revenue Funds. 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 sixty days after year end. Expenditures are recorded when the fund liability is incurred, except for compensated absences that are recognized when due.

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.

JUVENILE WELFARE BOARD

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

Note 2 – Summary of significant accounting policies and practices (continued)

- 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. Board action authorizes any increases during a fiscal year.

PCMS has no legal requirement to adopt a budget and therefore the requirement to present budget information is eliminated.

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.

Investments – JWB's investment strategy is to invest funds in options which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the JWB and which conform to all state statutes governing the investment of public funds. Earnings are recorded as interest income and all investments are stated at fair value.

Capital Assets – Capital assets include property and equipment and are reported in the governmental activities of the government-wide financial statements. As per Florida State Statutes, 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. Capital assets greater than \$1,000 are tracked and recorded in a fixed asset system.

Maintenance, repairs and minor renovations are not capitalized. Expenditures that materially increase values or extend useful lives are capitalized.

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

<u>Property classification</u>	<u>Estimated useful life</u>
Capital lease, buildings	40 years
Capital lease, improvements	Remaining life of the building
Furniture, fixtures, and equipment	3 -7 years

Depreciation expense is included in the government-wide financial statements.

JUVENILE WELFARE BOARD

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

Note 2 – Summary of significant accounting policies and practices (continued)

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. The estimated liability for all accrued vacation and sick leave benefits is recorded in the government-wide financial statements.

Fund Balance – Designations of General Fund balances represent tentative plans for future use of financial resources. In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise the limitations on the funds. The fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned.

Non-spendable includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually bound. **Restricted** consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law. **Committed** consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of JWB. **Assigned** consists of amounts that are constrained by JWB's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by JWB Board or the Executive Director as established in the Board's Policy. **Unassigned** represents amounts that have not been restricted, committed, or assigned to specific purposes within the general fund.

JWB fund balance policy creates an emergency reserve to be maintained at a minimum of two months of the budgeted operating expenditures of the immediate succeeding fiscal year for any unexpected emergency events. The maximum calculated reserve of \$7,715,014 is part of the unassigned fund balance at year end.

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.

Note 3 – Cash and cash equivalents

The bank and book balances were as follows at September 30, 2013:

Deposits with commercial banks (book balance)	\$ 17,333,477
Petty cash	700
Book balance	17,334,177
Bank balance of deposits in commercial banks	<u>\$ 17,424,037</u>

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. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida Qualified Public Depositories ("QPD") 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's bank balances are held in QPDs.

JUVENILE WELFARE BOARD

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

Note 3 – Cash and cash equivalents (continued)

At September 30, 2013, JWB investments include short-term investments in two money market accounts. The funds' yield rates as of that date were each .15%. Earnings from money market accounts are maintained in the General Fund. JWB maintains a cash sweep account for the checking accounts of the governmental funds.

Note 4 – Investments

The Investment Policy, as Adopted in 1995, authorizes the Finance Director or designee as the Investment Officer of JWB and is responsible for investment of surplus funds in accordance with Section 218.415, Florida Statutes. The Investment Policy was revised in February 2002, December 2006, February 2008, November 2009, September 2012 and again in September 2013. The investment policy formally established guidelines and authorized JWB to invest in the following: Florida Local Government Surplus Funds Trust Fund, any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, U.S. Treasury Obligations, U.S. Federal Agency Obligations, U.S. Government-sponsored enterprises, Non-Negotiable Interest Bearing Savings Accounts, Demand Deposit Accounts, Time Certificates of Deposit, Repurchase Agreements, Commercial Paper, and Money Market Funds.

At September 30, 2013, JWB had the following investments:

	Value	Percentage
Florida Local Government Investment Trust (FLGIT)	\$ 1,012,668	61.0%
Florida State Board of Administration (PRIME)	521,435	31.4%
Florida State Board of Administration (Fund B)	126,677	7.6%
Total	<u>\$ 1,660,780</u>	<u>100%</u>

As of September 2013, investments consist of amounts placed within Securities and Exchange Commission Rule 2a7-like external investment pools which are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost, with the State Board of Administration ("SBA") and the Florida Local Government Investment Trust ("FLGIT") investment pools created by Section 218.405 and 218.407, Florida Statutes.

At fiscal year-end, JWB had \$633,279 invested in the SBA. Within the local government investment pool, 82% is entitled Florida PRIME, and 18% is in the Fund B Surplus Funds Trust Fund ("Fund B"). The PRIME fund's yield rate as of that date was .18%. Fund B pays no interest in lieu of recovering its losses. JWB's investments in Fund B are accounted for as a fluctuating net asset value pool, with a fair value factor of 1.13262284. Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. At September 30, 2013, the cost basis of Fund B was \$111,804, and the fair value of Fund B was \$126,677. One hundred percent of such distributions from Fund B are available as a liquid balance within Florida PRIME.

The FLGIT investment is a money market product created in January 2009 to provide a fiscally conservative diversification option for Florida local governments. The fund is governed by the same board and advisory committee that oversee the Investment Trust. The Fund features same-day transactions.

JUVENILE WELFARE BOARD

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

Note 4 – Investments (continued)

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 money market funds must have a rating of AAAm or AAAG from Standard & Poors or better at the time of purchase.

The Florida PRIME and FLGIT are rated by Standard & Poors. The current rating for each is AAAm. These ratings are the highest creditworthiness rates given by the national agencies. In addition, investments into all these funds are within the SEC rule 2a-7 guideline. Fund B is not rated by any national agency.

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. JWB currently does not have material investment balances with long-term maturities that may be subject to significant fair value losses arising from increasing interest rates. Investments are expected to be prudent and to minimize default risk.

The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2013, is 44 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM.

The weighted average life (based on expected future cash flows) of Fund B at September 30, 2013, is estimated at 4.04 years. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the weighted average life.

The weighted average maturity of the FLGIT is 54 days. The portfolio is extremely liquid with the majority of the investments in U.S. Government Securities (U.S. Treasuries, agencies, and repos) with the remainder in short-term corporate bonds, commercial paper, and certificates of deposit.

Concentration Risk – JWB's investment policy establishes guidelines for the maximum limit for diversification as follows: The local government surplus funds Trust Fund or any intergovernmental investment pool 75%; U.S. Treasury Obligations 75%; U.S. Federal Agency Obligations 75%; U.S. Government-sponsored enterprises (GSEs) 75%; Non-Negotiable Interest Bearing Savings Accounts, Demand Deposit Accounts or Time Certificates of Deposit 100%; Repurchase Agreements 50%; Commercial Paper 50%; and Money Market Funds 75%. As of September 30, 2013, all JWB investments were in compliance with JWB's investment policy and did not exceed portfolio allocation.

JUVENILE WELFARE BOARD

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

Note 5 – Interfund balances and transfers

Interfund balances in receivables and payables relate to the General Fund cash accounts receiving income and paying expenditures on behalf of the Special Revenue Fund. At fiscal year end, there was \$3,904 in interfund receivables and payables.

Interfund transfers include amounts transferred from the General Fund to the Special Revenue Fund for the activities of the fund. During the year ended September 30, 2013, there was \$2,116,277 in interfund transfers.

Note 6 – Note receivable

In March 2011, JWB completed the sale of the Pinellas Park Building. The building was sold directly to a third party at a market price of \$2,500,000, with JWB providing a private interest-free mortgage over 8 years. JWB imputed the interest on the mortgage receivable to be 2.42%.

The principle and imputed interest of the mortgage is receivable in the following amounts:

Fiscal Year Ending September 30,	Principle	Imputed Interest	Total
2014	\$ 124,043	\$ 22,877	\$ 146,920
2015	168,928	18,842	187,770
2016	173,061	14,708	187,769
2017	177,296	10,473	187,769
2018	181,635	6,135	187,770
2019	139,138	1,691	140,829
	<u>\$ 964,101</u>	<u>\$ 74,726</u>	<u>\$ 1,038,827</u>

Note 7 – Capital assets

JWB entered into a lease agreement with St. Petersburg College (the "College") whereby JWB leases a building for administrative office space. The lease term is for 99 years which commenced in December 2008 upon occupancy. JWB paid \$3,800,240 to the St. Petersburg College Foundation (the "Foundation") which was used for the modifications and improvements to the leased premises. During the fiscal year ending September 30, 2012, JWB paid \$251,457 for further improvements. The amount capitalized is being amortized over the life of the leasehold improvements which is approximately thirty-six years.

JUVENILE WELFARE BOARD
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

Note 7 – Capital assets (continued)

Capital asset activity for the year ended September 30, 2013 was as follows:

	Governmental Activities			
	October 1, 2012	Additions and Transfers In	Disposals and Transfers Out	September 30, 2013
Capital assets being depreciated:				
Furniture, fixtures, and equipment	\$ 949,162	\$ 19,577	\$ 228,250	\$ 740,489
Capital lease-equipment	79,029	-	2,340	76,689
Capital lease-St. Petersburg College	4,051,697	-	-	4,051,697
Total capital assets	5,079,888	19,577	230,590	4,868,875
Less accumulated depreciation:				
Furniture, fixtures, and equipment	676,559	129,327	228,250	577,636
Capital lease-equipment	33,461	13,608	2,340	44,729
Capital lease-St. Petersburg College	359,104	101,802	-	460,906
Total accumulated depreciation	1,069,124	244,737	230,590	1,083,271
Capital assets, net	<u>\$ 4,010,764</u>	<u>\$ (225,160)</u>	<u>\$ -</u>	<u>\$ 3,785,604</u>

Depreciation was charged to the following functions:

General government	
Administration	<u>\$ 244,737</u>

Note 8 – Long-term liabilities

As a benefit, JWB offers annual leave and sick leave to its employees. JWB has entered into several lease agreements for copier equipment, which have been determined to be capital leases.

The following is a schedule of changes in long-term liabilities for fiscal year ended September 30, 2013.

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Compensated absences	\$ 366,359	\$ 131,188	\$ 159,080	\$ 338,467	\$ 79,907
Capital leases - equipment	47,791	-	13,273	34,518	12,517
Leasehold improvements - St. Petersburg College	211,830	-	81,932	129,898	85,638
Total	<u>\$ 625,980</u>	<u>\$ 131,188</u>	<u>\$ 254,285</u>	<u>\$ 502,883</u>	<u>\$ 178,062</u>

JUVENILE WELFARE BOARD **NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2013

Note 8 – Long-term liabilities (continued)

The future minimum lease obligations and the net present value of the capital leases as of September 30, 2013, were as follows:

<u>Year Ending September 30</u>	
2014	\$ 104,942
2015	58,557
2016	9,056
Total minimum lease payments	172,555
Less: amount representing interest	(8,139)
Present value of minimum lease payments	<u><u>\$ 164,416</u></u>

Note 9 – Retirement plan

All Juvenile Welfare Board employees are eligible to participate in the State of Florida Retirement System ("FRS"), a multiple-employer cost-sharing public retirement system administered by the state of Florida. The FRS offers members both a defined benefit plan (Pension Plan) and/or a defined contribution plan (Investment Plan) to provide retirement, disability, and death benefits for active members, retirees, surviving beneficiaries, and Deferred Retirement Option Program ("DROP") participants.

DROP is a program that provides for payment of retirement benefits for FRS members for a maximum of five years. Under this program, an employee may retire and have his benefits accumulate in the FRS Trust Fund, earning interest, while continuing to work for a system employer. When the DROP period ends, employment terminates, the employee receives payment of the accumulated DROP benefits, and monthly Pension Plan and/or Investment Plan retirement benefits begin.

Benefits are established by Chapter 121, Florida Statutes, and Chapter 22B, Florida Administrative Code. Effective July 1, 2011, the Florida Legislature passed Senate Bill 2100 making changes to the FRS. Benefits are computed on the basis of age, average final compensation, and service credit.

Plan members hired prior to July 1, 2011 at age 62 with 6 years of credited service or 30 years of service regardless of age are entitled to an annual retirement benefit payable monthly for life, equal to 1.6% of their final average compensation for each year of credited service. Average final compensation is the average of the employee's five highest fiscal years of salary earned during credited service. Vested employees with less than 30 years of service may retire before age 62 and receive reduced retirement benefits.

Plan members hired on or after July 1, 2011 at age 65 with 8 years of credited service or 33 years of service regardless of age to be entitled to annual retirement benefits payable monthly for life, equal to 1.6% of their final average compensation for each year of credited service. Average final compensation will be the average of the employee's eight highest fiscal years earned during credited service. Vested employees with less than 33 years of service may retire before age 65 and receive reduced retirement benefits.

JUVENILE WELFARE BOARD

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

Note 9 – Retirement plan (continued)

There will be no Pension Plan Cost of Living Adjustment ("COLA") on service earned on or after July 1, 2011. A reduced COLA will be calculated if a member's retirement or DROP participation date is effective on or after August 1, 2011. The reduced COLA will be calculated by taking the total years of service earned prior to July 1, 2011 and dividing it by the total years of service at retirement, then multiplying it by 3%.

The FRS Trust Fund assets were approximately \$134.5 billion as of June 30, 2012. The market value of the pension plan is \$122.75 billion. The most recent System Annual Report dated July 1, 2011 – June 30, 2012 states that the System pension plan was 86.38% funded at June 30, 2012 since the actuarial value of assets was \$127.89 billion compared to the actuarial accrued liability of \$148.05 billion.

As of July 1, 2012, System members contribute 3% of pretax salaries. Participating employer contributions are based upon statewide rates established by the state of Florida. These rates are applied to employee salaries as follows:

Senior management, 6.30% and 18.31% from October 1, 2012 through June 30, 2013, and July 1, 2013 through September 30, 2013, respectively;

Regular, 1.60% and 6.95% from October 1, 2012 through June 30, 2013, and July 1, 2013 through September 30, 2013, respectively;

DROP, 5.44% and 12.84% from October 1, 2012 through June 30, 2013, and July 1, 2013 through September 30, 2013, respectively.

JWB is required to contribute an actuarially determined rate. The actuarially determined contributions required and made by JWB for the years ending September 30, 2013, 2012, and 2011 were \$215,923, \$188,237, and \$378,175, respectively.

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, 2013. That report may be obtained by writing to Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000 or accessing their Internet site at www.frs.state.fl.us.

Note 10 – Fund balance

Non-spendable – The long term amount of notes receivable are considered to not be in spendable form for JWB.

Assigned for Future Year's Expenditures – The fiscal 2014 Budget Resolution appropriated the amount of \$6,317,762 from the fiscal 2013 year fund balance for expenditures authorized in excess of anticipated revenue during fiscal year 2014.

Assigned for Spence Education Award – The H. Browning Spence Education Award was created in memory of the former JWB Deputy Director and dedicated to providing support to children transitioning from foster care at age 18. During the year, the Board voted that contributions be recognized as assigned in the General Fund Balance for purposes of the H. Browning Spence Education Award Fund.

JUVENILE WELFARE BOARD

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

Note 10 – Fund balance (continued)

Assigned for PCMS – PCMS receives and administers federal, state and local grants and other funds and administers programs or pass through funding to other 501(c)(3) organizations in the core service areas of parent support and skills training; family literacy services, economic development activities, child development activities, outreach and other activities to benefit low-income families and children in Pinellas County, Florida. As such, net position is assigned for these specific purposes.

Note 11 – Property tax revenue

JWB is a special taxing district, which is authorized to levy an ad valorem tax. The millage rate shall not exceed \$1.00 for each \$1,000 of assessed valuation of all properties within Pinellas County. For the year ended September 30, 2013, a rate of 0.8981 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	Property taxes are based on assessed value as of this date as determined by the Pinellas County Property Appraiser
July 1	Assessment roll validated by the Juvenile Welfare Board members
September 30	Millage resolution approved by the Juvenile Welfare Board members
October 1	Beginning of fiscal year for which taxes have been levied
November 1	Property taxes due and payable
April 1	Unpaid property taxes become delinquent
June 1	Tax certificates are sold by the Pinellas County Tax Collector

Note 12 – 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.

JUVENILE WELFARE BOARD

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

Note 13 – Change in accounting principles

JWB implemented Governmental Accounting Standards Board ("GASB") Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and Statement 65, *Items Previously Reported as Assets and Liabilities*, in the fiscal year ending September 30, 2013. The implementation of GASB Statement 63 required JWB to present a Statement of Net Position, replacing the previously presented Statement of Net Assets, in JWB's basic financial statements. The implementation of Statement No. 65 did not reclass any amounts to the outflow or inflow sections of the Statement of Net Position.

Note 14 – Subsequent events

Management has evaluated subsequent events from October 1, 2013 to January 23, 2014 in connection with the preparation of these financial statements which is the date the financial statements were available to be issued. There are no subsequent events to disclose.

REQUIRED SUPPLEMENTAL INFORMATION

JUVENILE WELFARE BOARD**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET
AND ACTUAL – GENERAL FUND (BUDGETARY BASIS)**

YEAR ENDED SEPTEMBER 30, 2013

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues:				
Property taxes	\$ 46,103,072	\$ 46,103,072	\$ 46,176,320	\$ 73,248
Fees	40,000	40,000	21,937	(18,063)
Intergovernmental	1,023,506	1,153,816	1,177,669	23,853
Grant and contribution revenue	12,056,000	5,968,279	5,984,244	15,965
Investment income, net	150,000	58,000	92,976	34,976
Other	66,500	69,500	116,174	46,674
Total revenues	<u>59,439,078</u>	<u>53,392,667</u>	<u>53,569,320</u>	<u>176,653</u>
Expenditures:				
Current:				
Administration	6,231,642	6,402,616	6,363,102	39,514
Children and family programs	55,856,118	51,276,560	45,379,290	5,897,270
Nonoperating	422,958	569,131	478,675	90,456
Capital outlay	-	19,577	19,577	-
Total expenditures	<u>62,510,718</u>	<u>58,267,884</u>	<u>52,240,644</u>	<u>6,027,240</u>
Net change in fund balance	<u>\$ (3,071,640)</u>	<u>\$ (4,875,217)</u>	<u>\$ 1,328,676</u>	<u>\$ 6,203,893</u>
Other Financing Uses				
Transfers out			<u>\$ (2,116,277)</u>	
Excess of expenditures and uses over revenues			(787,601)	
Fund balance – beginning of year			<u>15,663,745</u>	
Fund balance – end of year			<u>\$ 14,876,144</u>	

GRANT COMPLIANCE

**Report of Independent Auditor 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, in accordance with the 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, the financial statements of the governmental activities, the general 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, 2013, and the related notes to the financial statements, which collectively comprise JWB's basic financial statements, and have issued our report thereon dated January 23, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered JWB's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of JWB's internal control. Accordingly, we do not express an opinion on the effectiveness of JWB's internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether JWB's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekant LLP". The signature is written in a cursive, flowing style.

Tampa, Florida
January 23, 2014

**Report of Independent Auditor on Compliance
for Each Major Federal Program and on Internal Control Over
Compliance Required by OMB Circular A-133**

Members of the Board
Juvenile Welfare Board of Pinellas County

Report on Compliance for Each Major Federal Program

We have audited the Juvenile Welfare Board of Pinellas County's ("JWB") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on JWB's major federal programs for the year ended September 30, 2013. JWB's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of JWB's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about JWB's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of JWB's compliance.

Opinion on Each Major Federal Program

In our opinion, JWB complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

Report on Internal Control Over Compliance

Management of JWB is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered JWB's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of JWB's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Cherry Bekant LLP

Tampa, Florida
January 23, 2014

JUVENILE WELFARE BOARD OF PINELLAS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2013

Federal Grantor Program title	Grant period	Federal CFDA Number	Grant/ Contract Number	Expenditures	Transfer to Subrecipients
U.S. Department of Health and Human Services:					
Direct Programs					
Teenage Pregnancy Prevention Program	09/01/12 - 08/31/13	93.297	TP1AH000015-02-00	\$ 561,858	\$ 432,046
Teenage Pregnancy Prevention Program	09/01/13-08/31/14	93.297	TP1AH000015-03-00	93,880	93,880
Passed through Central Florida Behavioral Health Network, Inc.					
Substance Abuse and Mental Health Services Project	N/A	93.243	N/A	18,005	-
Total U.S. Department of Health and Human Services				673,743	525,926
 Department of Treasury - Internal Revenue Service					
Direct Programs					
Volunteer Income Tax Assistance (VITA)					
Matching Grant Program	07/01/12 - 06/30/13	21.009	V12120	38,391	-
Total Department of Treasury - Internal Revenue Service				38,391	-
 Total Federal Awards				\$ 712,134	\$ 525,926

JUVENILE WELFARE BOARD OF PINELLAS COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2013

Note 1— Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Juvenile Welfare Board of Pinellas County ("JWB") and Pinellas Core Management Services, Inc. ("PCMS") (blended component unit), and is presented on an accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 2 – Contingencies

Expenditures incurred by JWB associated with the execution of various grants are subject to audit and possible disallowance by the grantor agency. JWB would be held responsible for recovery (reimbursement to the grantor agency) of disallowed amounts. Management believes that, if audited, any adjustment for disallowed expenses would be immaterial in amount.

Note 3 – Pinellas Core Management Services, Inc.

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Pinellas Core Management Services, Inc. (Federal I.D. Number 59-3647540). During the year ended September 30, 2013, \$45,171 of expenditures under the U.S. Department of Health and Human Services grant was reported by this entity.

JUVENILE WELFARE BOARD OF PINELLAS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2013

I. Summary of Audit Results

Financial Statement Section

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes x no

Significant deficiency(ies) identified not
considered to be material weakness(es)?

_____ yes x none reported

Noncompliance material to financial
statements noted

_____ yes x no

Federal Awards Section

Internal control over major programs:

Material weakness(es) identified?

_____ yes x no

Significant deficiency(ies) identified not
considered to be material weakness(es)?

_____ yes x none reported

Type of auditors' report on compliance for
major programs:

Unmodified

Any audit findings disclosed that are
required to be reported in accordance with
section 510 (a) of OMB Circular A-133

_____ yes x no

Identification of the major federal program:

CFDA Number	Name of Program or Cluster
93.297	U.S. Department of Health and Human Services Teen Pregnancy Prevention Program

Dollar threshold used to distinguish between type A and type B programs \$300,000

Auditee qualified as low-risk auditee?

_____ yes x no

JUVENILE WELFARE BOARD OF PINELLAS COUNTY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2013

II. Findings - Financial Statements Audit

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no findings required to be reported by *Government Auditing Standards*.

III. Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by OMB Circular A-133.

There were no findings required to be reported by OMB Circular A-133.

JUVENILE WELFARE BOARD OF PINELLAS COUNTY

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2013

Summary Schedule of Prior Audit Findings

Finding 2012-1 Internal Control over Compliance Teen Pregnancy Prevention Program—CFDA No.93.297; Grant No. TP1AH000015-02-00; Grant period—Year ended September 30, 2012

Finding: During fiscal year 2012, there was a lack of documentation of approval of expenditures by a person knowledgeable of the grant requirements

Status/Corrective Action: JWB recognizes that maintaining an adequate review process of federal expenditures is a sound financial and compliance management practice. To enhance financial internal controls over the federal expenditure approval process, JWB designated an employee to review all grant expenditures. This process was implemented during fiscal year 2013.

Finding 2012-2 Nonmaterial Noncompliance over Grant Compliance Teen Pregnancy Prevention Program—CFDA No.93.297; Grant No. TP1AH000015-02-00; Grant period—Year ended September 30, 2012

Finding: During fiscal year 2012, there was a lack of documentation to support grant expenditures as an allowable cost under the grant.

Status/Corrective Action: JWB recognizes that maintaining an adequate documentation of federal expenditures is a sound financial and compliance management practice. JWB implemented a process that requires all check requests to be followed up with proper support for expenditures. This process was implemented during fiscal year 2013.

Independent Auditor's Management Letter

Members of the Board
Juvenile Welfare Board of Pinellas County

We have audited the financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of the Juvenile Welfare Board of Pinellas County ("JWB") as of and for the fiscal year ended September 30, 2013, and have issued our report thereon, dated January 23, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133 and the Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated January 23, 2014, 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 reports or schedule:

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Prior Year Findings and Recommendation:

1. In the prior year there was a lack of documentation of approval of expenditures by a person knowledgeable of the grant requirements.
Update: JWB designated an employee to review all grant expenditures.
2. In the prior year there was a lack of documentation to support grant expenditures as an allowable cost under the grant.
Update: JWB implemented a process that requires all check requests to be followed up with proper support for expenditures.

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, nothing came to our attention that would cause us to believe 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 the management letter any recommendations to improve 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 noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., *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 this management letter, unless disclosed in the notes to the financial statements. Such disclosure is included in the notes to the financial statements.

Section 10.554(1)(i)6.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 identification of the specific condition(s) met. In connection with our audit nothing came to our attention that would cause us to believe that JWB met any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)6.b., *Rules of the Auditor General*, requires that we determine whether the annual financial report for JWB for the fiscal year ended September 30, 2013, 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, 2013. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), *Rules of the Auditor General*, we applied 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.

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550 *Rules of the Auditor General*. Accordingly, this management letter is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Behant LLP". The signature is written in a cursive, flowing style.

Tampa, Florida
January 23, 2014

Unit Information

Unit ID: 300419

Year: 2013

Unit Name: Juvenile Welfare Board of Pinellas
County

Unit Status: Active

Unit Dependency: Independent

Location Information

Name: Ms. Susan Walterick

Title: Finance Director

Phone: (727) 453-5656

Fax: (727) 453-5610

Address:

14155 58th Street, North
Clearwater, FL 33760

Contact Information

Name: Mrs. Lynn De la Torre

Title: Accounting Manager

Phone: (727) 453-5646

Email: ldelatorre@jwbpinellas.org

Address:

14155 58th Street, North
Clearwater, FL 33760

Certification

Chief Financial Officer

Name: Susan Walterick

Title: Finance Director

Chairman/Elected Official

Name: Maria Edmonds

Title: Chair

Have You Experienced a Financial Emergency in this year?

If Yes, Have You Complied With Section 218.503(2), Florida Statutes?

Auditor General Rule: Section 10.554(1)(h)6.b): If applicable, does the Annual Financial Report agree with the Audited Financial Statement? (Do total revenues and expenditures per fund group on the AFR balance to the audited Statement of Revenues and Expenditures?)

Yes No

<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

AFR Details

Original AFR

AFR Status: Submitted

AFR Received Date: 2/17/2014

Audit Received Date:

Submission Type: Electronic

Debt Information

Long-Term Debt: \$66,261

Audit Information

Was an audit performed? Yes

Audit Performed Date: 1/23/2014

Auditor Name: Cherry Bekaert LLP

Address:
401 East Jackson Street
Suite 3400
Tampa, Florida 33602

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Revenues Report for FYE 2013

Account Code	General	Special Revenue	Debt Service	Capital Projects	Permanent	Enterprise	Internal Service	Pension	Trust	Component Units	Total
311000 - Ad Valorem Taxes	47,221,215										47,221,215
329000 - Other Permits, Fees & Special Assessments	21,937										21,937
331690 - Federal Grant - Other Human Services	1,035,317										1,035,317
337600 - Local Government Unit Grant - Human Services	123,987										123,987
361100 - Interest	92,976										92,976
366000 - Contributions and Donations from Private Sources	5,865,553										5,865,553
369900 - Other Miscellaneous Revenues	253,231	253									253,484
381000 - Inter-Fund Group Transfers In		2,116,277									2,116,277
Grand Total	54,614,216	2,116,530									56,730,746

Expenditures Report for FYE 2013

Account/Object Code	General	Special Revenue	Debt Service	Capital Projects	Permanent	Enterprise	Internal Service	Pension	Trust	Component Units	Total
512.10 - Executive - Personal Services	243,420										243,420
512.30 - Executive - Operating Expenses	95,472										95,472
512.60 - Executive - Capital Outlay	1,258										1,258
513.10 - Financial and Administrative - Personal Services	1,448,807										1,448,807
513.30 - Financial and Administrative - Operating Expenses	760,862	8,978									769,840
513.60 - Financial and Administrative - Capital Outlay	10,418										10,418
516.10 - Non-Court Information Systems - Personal Services	194,549										194,549
516.30 - Non-Court Information Systems - Operating Expenses	1,020,921										1,020,921
516.60 - Non-Court Information Systems - Capital Outlay	3,708										3,708
519.10 - Other General Governmental Services - Personal Services	2,819,448										2,819,448
519.30 - Other General Governmental Services - Operating Expenses	258,298										258,298
519.60 - Other General Governmental Services - Capital Outlay	4,194										4,194
569.30 - Other Human Services - Operating Expenses	45,379,290	2,116,277									47,495,567
581.30 - Inter-Fund Group Transfers Out - Operating Expenses	2,116,277										2,116,277
590.30 - Proprietary Other Non-Operating Disbursements - Operating Expenses	1,044,895										1,044,895
Grand Total	55,401,817	2,125,255									57,527,072

Component Unit

Type

**Total
Revenues**

**Total
Expenditures**

Total Debt