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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Chairman and Council Members of
Children's Services Council of Palm Beach County
Boynton Beach, Florida

We have audited the compliance of the Children's Services Council of Palm Beach County ("the Council"), with the types of compliance requirements described in the United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major Federal programs for the year ended September 30, 2008. The Council's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major Federal programs is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Council's compliance with those requirements.

In our opinion, the Council, complied, in all material respects, with the requirements referred to above that are applicable to its major Federal programs for the year ended September 30, 2008.

Internal Control Over Compliance

The management of the Council is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered the Council's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 the Council's internal control over compliance.

Children's Services Council of Palm Beach County

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a Federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a Federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the Council, management, and Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Keeffe, McCullough & Co. LLP
KEEFE, MCCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 30, 2009

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2008

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Children's Services Council of Palm Beach County.
2. No material weaknesses relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of Children's Services Council of Palm Beach County were disclosed during the audit.
4. No material weaknesses relating to the audit of the major Federal programs are reported in the Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major Federal programs for Children's Services Council of Palm Beach County expresses an unqualified opinion.
6. There are no audit findings relative to the major Federal programs for Children's Services Council of Palm Beach County reported in Part C of this schedule.
7. The programs tested as major programs are as follows:

<u>Federal Program</u>	<u>CFDA No.</u>
United States Department of Health and Human Services - Healthy Start Initiative	93.926
Maternal and Child Health Service Block Grant to the States	93.994

8. The threshold for distinguishing Types A and B programs was \$ 300,000.
9. Children's Services Council of Palm Beach County qualifies as a low-risk auditee pursuant to OMB Circular A-133.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

D. OTHER ISSUES

1. A separate management letter was not issued in conjunction with this engagement.
2. No summary schedule of prior audit findings is required because there were no prior audit findings related to Federal programs.
3. No corrective action plan is required because there were no findings reported under OMB Circular A-133.

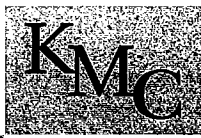
CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Disbursements/ Expenditures	Amounts Paid to Subrecipients
FEDERAL AGENCY NAME:			
Direct Programs:			
U.S Department of Health and Human Services			
Healthy Start Initiative	* 93.926	\$ 887,274	\$ 805,146
Indirect Programs:			
U.S Department of Health and Human Services			
Passed through Ounce of Prevention			
Fund of Florida			
Temporary Assistance for Needy Families (TANF)	93.558	574,736	574,736
Passed through Healthy Start Coalition of Palm Beach County, Inc.			
Medicaid	93.778	1,028,329	1,028,329
MCH Block Grants	* 93.994	288,248	288,248
Passed through Florida Department of Children and Families			
Adoption Assistance	93.659	97,060	97,060
Foster Care - Title IV-E	93.658	85,047	85,047
Total Federal Awards		\$ 2,960,694	\$ 2,878,566

* Denotes a major program

Note: This schedule was prepared on the accrual basis of accounting.



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INDEPENDENT AUDITORS' REPORT TO COUNCIL MANAGEMENT

To the Honorable Chairman and Council Members of
Children's Services Council of Palm Beach County
Boynton Beach, Florida

We have audited the financial statements of the Children's Services Council of Palm Beach County (the "Council"), as of and for the fiscal year ended September 30, 2008, and have issued our report thereon dated March 30, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 30, 2009, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of 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 is required to include the following information, which is not included in the aforementioned auditors' 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. The prior year recommendation was implemented.

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, we determined that the Children's Services Council of Palm Beach County complied with Section 218.415, Florida Statutes except that the official responsible for the investment of public funds did not obtain the annual required eight credit hours of education related to investments.

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, accounting procedures and internal controls. In connection with our audit, we did not have any such recommendations.

Children's Services Council of Palm Beach County

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

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

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Children's Services Council of Palm Beach County is an independent special taxing district authorized under the Laws of Florida Statutes Chapter 86-196. The Council has one component unit, Prevention Partnerships for Children, Inc., a nonprofit 501(c)(3) corporation organized in the State of Florida and incorporated on March 8, 2004.

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Council did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Council for the fiscal year ended September 30, 2008, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2008. In connection with our audit, we determined that these two reports were in agreement.

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

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

Keefe, McCullough & Co., LLP
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 30, 2009

**CHILDREN'S SERVICES COUNCIL
OF PALM BEACH COUNTY
BASIC FINANCIAL STATEMENTS**

September 30, 2008

CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
 BASIC FINANCIAL STATEMENTS
 September 30, 2008

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CHILDREN'S SERVICES COUNCIL OF PALM BEACH COUNTY
BASIC FINANCIAL STATEMENTS
September 30, 2008

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INTRODUCTORY SECTION



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March 30, 2009

To the Honorable Chairman and Council Members of
Children's Services Council of Palm Beach County
2300 High Ridge Road
Boynton Beach, Florida

Dear Members:

The financial report of the Children's Services Council of Palm Beach County (the "Council"), as of and for the year ended September 30, 2008, is submitted here within. Florida Statutes require that we prepare our financial statements in conformance with United States Generally Accepted Accounting Principles ("GAAP") and that an external audit be performed by an independent certified public accounting firm in accordance with generally accepted auditing standards. This report, presented in three sections: Introductory, Financial, and Internal Control and Compliance, is the primary method of reporting the Council's financial activities and satisfies those requirements.

The Introductory Section contains a list of the Council's principal officials and its organizational chart. The Financial Section contains the Independent Auditors' Report, Management's Discussion and Analysis, Government-Wide Financial Statements, and Fund Financial Statements for Governmental Funds. The Financial Section also includes the Notes to Financial Statements and Required Supplementary Information. The Internal Control and Compliance Section contains the auditors' reports in accordance with Government Auditing Standards and OMB Circular A-133, schedules related to the single audit, and the Independent Auditors' Report to Council Management.

Management's Assertion

Responsibility for the integrity, objectivity, accuracy and completeness and fairness of presentation of these financial statements rests with management. The financial statements were prepared in conformity with United States Generally Accepted Accounting Principles ("GAAP") for governmental entities. The financial information is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and operating results for the Council, on a Government-wide and Fund basis. This report includes all disclosures necessary to enable the reader to gain an understanding of the financial affairs of the Council.

Expect **Success**

