



**FRANKLIN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

SINGLE AUDIT

FOR THE PERIOD ENDED JUNE 30, 2010



Dave Yost • Auditor of State

**FRANKLIN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

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Dave Yost • Auditor of State

Franklin County Family and Children First Council
Franklin County
855 West Mound Street
Columbus, Ohio 43223

To the Council Members:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Council to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

February 15, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Franklin County Family and Children First Council
Franklin County
855 West Mound Street
Columbus, Ohio 43223

To the Council Members:

We have audited the accompanying financial statements of the Franklin County Family and Children First Council, Franklin County, Ohio, (the Council) as of and for the period ended June 30, 2010. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Council has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Council's larger (i.e. major) funds separately. While the Council does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Governments to reformat their statements. The Council has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the period ended June 30, 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council as of June 30, 2010, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Family and Children First Council, Franklin County, Ohio, as of June 30, 2010, and its combined cash receipts and disbursements for the period then ended on the accounting basis Note 1 describes.

The Council has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2011, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

We conducted our audit to opine on the Council's financial statements taken as a whole. The federal awards expenditure schedule provides additional information required by the 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 federal awards expenditure schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

February 15, 2011

**FRANKLIN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE PERIOD ENDED JUNE 30, 2010**

	<u>Governmental Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental - Federal	\$ -	\$ 691,113	\$ 691,113
Intergovernmental - State	-	1,818,491	1,818,491
Local Contributions	130,380	622,129	752,509
Total Cash Receipts	<u>130,380</u>	<u>3,131,733</u>	<u>3,262,113</u>
Cash Disbursements:			
Personal Services	74,293	458,293	532,586
Contractual Services	24,411	2,571,466	2,595,877
Supplies and Materials	1,061	6,333	7,394
Capital Outlay	9,000	8,926	17,926
Services and Charges	6,368	95,522	101,890
Total Cash Disbursements	<u>115,133</u>	<u>3,140,540</u>	<u>3,255,673</u>
Excess of Cash Receipts Over/(Under) Disbursements	15,247	(8,807)	6,440
Fund Cash Balances, January 1 (as restated)	<u>145,943</u>	<u>2,353,638</u>	<u>2,499,581</u>
Fund Cash Balances, June 30	<u>\$ 161,190</u>	<u>\$ 2,344,831</u>	<u>\$ 2,506,021</u>

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

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**FRANKLIN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Section 121.37, Ohio Revised Code, created the Ohio Family and Children First Cabinet Council and permitted counties to establish county family and children first councils. Statutory membership of the county council consists of the following individuals.

1. The director of the board of alcohol, drug addiction, and mental health services that serves the county, or, in the case of a county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards;
2. The health commissioner of the board of health of each city or general health district in the county, or their designees;
3. The director of the county department of job and family services;
4. The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code;
5. The superintendent of the county board of mental retardation and developmental disabilities;
6. The county's juvenile court judge senior in service;
7. The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each county of its determination at least biennially;
8. A school superintendent representing all other school districts with territory in the county, as designated at a biennial meeting of the superintendents of those districts;
9. A representative of the largest city in the county;
10. The chair of the board of county commissioners, or an individual designated by the board;
11. A representative of the regional office of the department of youth services;
12. A representative of the county's Head Start agencies, as defined in section 3301.31 of the Ohio Revised Code;
13. A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "Education of the Handicapped Act Amendments of 1986";
14. At least three individuals representing the interests of families in the county. Where possible, the number of members representing families shall be equal to twenty percent of the council's remaining membership.

**FRANKLIN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

A county Family and Children First Council may invite any other local public or private agency or group that funds, advocates, or provides services to children to have a representative become a permanent or temporary member of the council.

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. Make periodic reports to the cabinet council regarding the number of children referred to the county council and the progress made in meeting the needs of each child;
- c. Develop a plan that reviews and adjusts existing programs, fills services gaps where possible, or invents new approaches to achieve better results for families and children;
- d. Participate in the development of a countywide, comprehensive, coordinated, multi-disciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the department of health for early intervention services under the "Education of the Handicapped Act Amendments of 1986";
- e. Maintain an accountability system to monitor the council's progress in achieving its purposes;
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

B. Basis of Accounting

This financial statement follows the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and cash disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

Effective June 30, 2010 the Council changed their fiscal year end from December 31st to June 30th. This report presents the period from January 1, 2010 to June 30, 2010 to set the Council's fiscal year end on this schedule.

C. Fund Accounting

The Franklin County Family and Children First Council, Franklin County, Ohio, (the "Council") uses fund accounting to segregate cash that is restricted as to use. The Council classifies its funds into the following types:

General Fund – The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

**FRANKLIN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

Special Revenue Funds – These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditures for specific purposes. The Council had the following significant Special Revenue Funds:

Help Me Grow – Grant Fund (GRF) – This fund receives state grant monies for the purpose of the grant provisions.

Special Education Grant – Infants and Families (HMG-Part C) – This fund receives federal grant money to provide services for expectant parents; newborns and their families; and infants and toddlers at risk for or with developmental delays and disabilities and their families.

D. Administrative/ Fiscal Agent

Ohio Revised Code, Section 121.37(B)(5)(a) requires the Council, in its role as the Franklin County Family and Children’s First Council, to select an administrative agent to provide fiscal and administrative services to the Council. The Council has selected Franklin County Department of Jobs and Family Services (DJFS). The Council authorizes DJFS, as fiscal agent and administrative agent, to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in this agreement. DJFS agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of this agreement. If DJFS designates another fiscal agent, there will be a written agreement outlining fiscal agent responsibilities.

DJFS has designated the Educational Service Center of Central Ohio (the “ESC”), as fiscal agent for all funds and transactions. As fiscal agent the ESC is the employer of record for all FCFC employees and as such all employees contribute to the State Employees Retirement System (SERS) through the ESC.

The agreement FCFC has with DJFS to act as administrative agent comes to an end on June 30, 2010. Beginning July 1, 2010, ESC will take over as the FCFC’s administrative agent. See also Note 4, subsequent events.

E. Equity in Pooled Cash

The Franklin County Treasurer, as administrative agent for the Council, maintains a cash and investments pool used by all of the County’s funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council’s carrying amount of cash on deposit with the County Auditor at June 30, 2010 was \$79,465. The Franklin County Treasurer is responsible for maintaining adequate depository collateral for all funds in the County’s pooled and deposit accounts. All risks associated with the above deposits are the responsibility of Franklin County.

The ESC, as fiscal agent for the Council, maintains a cash and investments pool used by all of the ESC’s funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council’s carrying amount of cash on deposit with the ESC at June 30, 2010 was \$2,426,556. The ESC is responsible for maintaining adequate depository collateral for all funds in the ESC’s pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the ESC.

**FRANKLIN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. CONTINGENCIES

Litigation

The Council is not party to any legal proceedings.

Grants

The Council receives significant financial assistance from numerous Federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statement of the individual funds included herein or on the overall financial position of the Council at June 30, 2010.

3. RESTATEMENT OF PRIOR YEAR FUND BALANCE

As a result, the beginning fund balance for the Special Revenue Fund for the period ending June 30, 2010 is restated as follows.

	<u>Special Revenue</u>
Fund Balance at December 31, 2009	\$2,756,280
Restatement of JFS Balance	<u>(402,642)</u>
Fund Balance at December 31, 2009, restated	2,353,638

4. SUBSEQUENT EVENTS

As of June 30, 2010, the ESC did take over the role of financial oversight / administrative agent as a result of the TANF funding being eliminated beginning July 1, 2009 along with the requirement for funding to be passed through the DJFS. The DJFS will continue to fulfill contracts in existence prior to that date and turn funds over to the ESC once all amounts are disbursed.

**FRANKLIN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE PERIOD ENDED JUNE 30, 2010**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Health:</i>			
ARRA Special Education - Grants for Infants and Families with Disabilities, Recovery Act (Help Me Grow/Part C)	2310021E	84.393	\$579,695
Special Education - Grants for Infants and Families with Disabilities (Help Me Grow/Part C)	2310021E	84.181	<u>\$158,753</u>
Total U.S. Department of Education			<u>738,448</u>
U.S. DEPARTMENT OF HUMAN SERVICES			
<i>Passed Through Ohio Department of Job and Family Services:</i>			
Temporary Assistance for Needy Families:	N/A	93.558	<u>105,636</u>
Total U.S. Department of Human Services			<u>105,636</u>
Total			<u><u>\$844,084</u></u>

The accompanying notes are an integral part of this schedule.

**FRANKLIN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURE SCHEDULE
PERIOD ENDED JUNE 30, 2010**

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditure Schedule (the Schedule) reports the Franklin County Family and Children First Council's (the Council's) federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B--SUBRECIPIENTS

The Council passes certain federal awards received from the Ohio Department of Health and the Ohio Department of Jobs and Family Services to other governments or not-for-profit agencies (subrecipients). As Note A describes, the Council reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the Council has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and those subrecipients achieve the award's performance goals.

NOTE C--CHANGE IN FISCAL YEAR

The Council changed its fiscal year end from December 31st to June 30th. As a result the federal awards expenditure schedule presents awards spent over a 6 month period rather than a 12 month period as the transitional period of the fiscal year end change.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Franklin County Family and Children First Council
Franklin County
855 West Mound Street
Columbus, Ohio 43223

To the Council Members:

We have audited the financial statements of the Franklin County Family and Children First Council, Franklin County, Ohio (the Council) as of and for the period ended June 30, 2010, and have issued our report thereon dated February 15, 2011, wherein we noted the Council followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Council's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Council's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. 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 timely corrected. We consider finding 2010-01 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

The Council's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Council's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the Council Members, Finance Committee, management, and federal awarding agencies and pass-through entities and others within the Council. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

February 15, 2011



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Franklin County Family and Children First Council
Franklin County
855 West Mound Street
Columbus, Ohio 43223

To the Council Members:

Compliance

We have audited the compliance of the Franklin County Family and Children First Council, Franklin County, Ohio (the Council) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Council's major federal program for the period ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the Council's major federal program. The Council's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. 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 included in the Comptroller General of the United States' *Government Auditing Standards*; 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 reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Council's compliance with those requirements.

In our opinion, the Council complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the period ended June 30, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying schedule of findings lists this instance as Finding 2010-02.

Internal Control Over Compliance

The Council's management 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 requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Council'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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected.

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 over compliance that might be deficiencies, 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.

The Council's response to the finding we identified is described in the accompanying schedule of findings. We did not audit the Council's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the Council Members, Finance Committee, management, others within the Council, federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.



Dave Yost
Auditor of State

February 15, 2011

**FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	Yes
(d)(1)(vii)	Major Programs (list):	Special Education – Grants for Infants and Families with Disabilities (Help Me Grow/Part C) – Regular and ARRA CFDA# 84.181 & 84.393
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**FRANKLIN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2010
(Continued)**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2010-01

Financial Reporting – Material Weakness

Sound financial reporting is the responsibility of the management and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The Council utilizes the administrative agents' financial system and currently has monitoring controls over daily cash-basis transactions entered into the system. At year-end the cash basis information from the accounting system is converted into the financial statements.

The following audit adjustments were made to the Council's financial statements and ledgers:

- Adjustment to the Beginning Fund Balances in the Special Revenue Fund type totaling \$402,642 (\$227,271 in Help Me Grow-GRF; \$15,426 in Ohio Children's Trust Fund; \$114,945 in Part C) as a result of prior period misstatements for unrecorded expenditures with fiscal agent JFS.
- Adjustment of \$125,000 of Help Me Grow-GRF Local Contribution receipts and matching expenditures from the General Fund to the Help Me Grow-GRF Special Revenue Fund.

Lack or failure of controls over the posting of financial transactions and financial reporting can result in errors and irregularities that may go undetected by management and decreases the reliability of financial data throughout the year.

We recommend the Council continue to develop and enhance policies and procedures to further enhance its controls over recording of financial transactions and financial reporting to help ensure the information accurately reflects the activity of the Council and thereby increases the reliability of the financial data throughout the year.

**FRANKLIN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2010
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS

FINDING NUMBER 2010-02

CFDA Title and Number	Special Education – Grants for Infants and Families with Disabilities (Help Me Grow/Part C) – Regular and ARRA CFDA# 84.181 & 84.393
Federal Award Number / Year	2010
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Health

Filing Single Audit with Federal Audit Clearing House – Noncompliance Finding

OMB Circular A-133 Subpart B § __.200(a) requires Non-Federal entities that expend \$300,000(\$500,000 for fiscal years ending after December 31, 2003) or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part. Guidance on determining Federal awards expended is provided in § __.205. *OMB Circular A-133 Subpart B § __.200 (b)* requires Non-Federal entities that expend \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) or more in a year in Federal awards shall have a single audit conducted in accordance with § __.500 except when they elect to have a program-specific audit. *OMB Circular A-133 § .320(a)* requires such report to be filed with the Federal Audit Clearing House within nine months after the end of the audit period.

The Council expended \$5,378,000 in federal awards in 2009. The 2009 Single Audit report was originally filed in December 2010. However, due to lack of auditee certification and missing elements in the initial filing, proper filing of the 2009 Single Audit report was not completed until January 13, 2011, which did not meet the required filing deadline as denoted above.

Without accurately filing the required reports with the Federal Audit Clearinghouse in a timely manner the Council is a high risk auditee and potentially affects its federal funding status.

We recommend the Council implement a monitoring procedure to ensure the Council correctly files the Single Audit report within nine months after the end of the audit period.

**FRANKLIN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-001	Financial Reporting Recommendation	No	Not Corrected – Reissued as 2010-01.
2009-002	2 CFR, Part 225, App B – Time and Effort Certification – Federal Grants.	Yes	
2009-003	31 USC 7502(a)(1)(A) – Filing Single Audit with Federal Audit Clearing House	No	Not Corrected – Reissued as 2010-02.

**FRANKLIN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
PERIOD ENDED JUNE 30, 2010**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2010-001	<p>Upon finalization of the FY 2009 AOS A-133 audit of the FCFC, the FCFC and FCDJFS had reconciled the TANF cash balance. The TANF funding source was no longer available to the FCFC per passage of the State Biennium Budget and this reconciliation was required to close out the funding with ODJFS. FCDJFS had been working with Julian and Grube since the CY 2007 audit to resolve the TANF cash balance issues and a resolution was agreed to for completion of the 2009 audit.</p> <p>At the exit conference for the SFY 2009 audit, it was discussed that ALL other funding sources for which FCDJFS was the Fiscal agent needed to be reconciled as of June 30, 2010, as ESC was going to be the new agent effective July 1, 2010. It was also discussed that some of the financial transactions needed to be completed after the end of the SFY to assure that all payments had been made and any cash balances were accounted for in this reconciliation.</p> <p>With the establishment of the FCFC by ODJFS, the FCDJFS was required to establish 2 additional funds that were a subset of the Public Assistance Fund to deposit OCTF, Part C, and other various state and federal funds related to FCFC. Since FCDJFS had been the Fiscal Agent since 1999, there were various transactions that occurred between Accounts 9037 and 2012. This was allowable as Part C, TANF, and GRF funds could be utilized to pay for the same services and it was the discretion of the FCFC as to which funding source was to be used for a specific service and/or activity. This resulted in adjustments between TANF, Part C and GRF funding.</p> <p>Over the years, the FCDJFS has had a loss of staff and historical knowledge of the transactions. Since there was going to be a transition of Fiscal Agents, it was determined that it was in the best interest of the FCFC and FCDJFS to wait until June 30, 2010, as the target date to finalize all transactions. In most cases, timing was an issue and reconciliations had to be done based on three different fiscal years. The audits were originally conducted on a Calendar Year, State funding was issued on a SFY and in the last two years, federal funds were accounted for based on a FFY (change over from SFY). These changes further complicated the process and reconciliation. Waiting until the end to transfer the \$402,000 was done to assure that all invoices had been paid and all revenue accounted for since this balance transcended a ten year period.</p>	3/31/2011	Robin Hegedus 614-275-2537

**FRANKLIN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
PERIOD ENDED JUNE 30, 2010
(Continued)**

2010-001	<p>While this reconciliation has taken an extended period of time, transcending several audit periods, the adjustment to the Beginning Fund Balances in the current audit period will conclude any corrections that need to be made. The transfer to the new fiscal/administrative agent in SFY2011 begins with an agreed upon balance and additional policies and procedures have been implemented to enhance controls over recording of financial transactions and financial reporting so that this kind of error does not reoccur.</p> <p>Adjustment of \$125,000: FCFC through the services of the Educational Service Center of Central Ohio maintains its accounting records on a cash basis of accounting. Our current year cash records accounted for all of the cash activity. We utilize the services of a third party to assist in the preparation of financial statements. FCFC management understands that it is our responsibility for these financial statements to be completed accurately, and will work more closely with our third party to ensure that items such as the accounting for our administrative cost (\$125,000) is appropriately reflected in our financial statements.</p>		
2010-002	<p>The failure to file a timely and accurate report to the Federal Audit Clearing House was due to a miscommunication between Management and the Ohio Auditor of State, the auditor for this fiscal year. Management has put procedures in place to ensure future reports are filed timely and accurately.</p>	3/31/2011	Robin Hegedus 614-275-2537



Dave Yost • Auditor of State

FRANKLIN COUNTY FAMILY AND CHILDREN FIRST COUNCIL

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 29, 2011**