



**Auditor of State
Betty Montgomery**

**FAMILY AND CHILDREN FIRST COUNCIL
KNOX COUNTY**

**FOR THE YEARS ENDED JUNE 30, 2004 AND 2003
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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council
Knox County
117 East High Street, 3rd Floor
Mount Vernon, Ohio 43050

To the Members of the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Knox County, Ohio (the Council), as of and for the years ended June 30, 2004 and June 30, 2003. These financial statements are the responsibility of the Council. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Council prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Council as of June 30, 2004 and June 30, 2003, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2004 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying schedule of federal awards expenditures 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement for the year ended June 30, 2003.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

This report is intended solely for the information and use of the audit committee, management, the Member of Council, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

November 20, 2004

**FAMILY AND CHILDREN FIRST COUNCIL
KNOX COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	190,447	289,700	480,147
Investment earnings	714	0	714
Other Revenue	0	1,623	1,623
	<u>191,161</u>	<u>291,323</u>	<u>482,484</u>
Total Cash Receipts			
	<u>191,161</u>	<u>291,323</u>	<u>482,484</u>
Cash Disbursements:			
Purchased Services	135,497	305,517	441,014
	<u>135,497</u>	<u>305,517</u>	<u>441,014</u>
Total Disbursements			
	<u>135,497</u>	<u>305,517</u>	<u>441,014</u>
Total Receipts Over/(Under) Disbursements	<u>55,664</u>	<u>(14,194)</u>	<u>41,470</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	202	0	202
Transfers-Out	0	(202)	(202)
	<u>202</u>	<u>(202)</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)			
	<u>202</u>	<u>(202)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>55,866</u>	<u>(14,396)</u>	<u>41,470</u>
Fund Cash Balances, July 1	<u>15,347</u>	<u>54,041</u>	<u>69,388</u>
Fund Cash Balances, June 30	<u>\$71,213</u>	<u>\$39,645</u>	<u>\$110,858</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
KNOX COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	415,598	371,550	787,148
Investment earnings	1,388	0	1,388
Other Revenue	0	518	518
	<u>416,986</u>	<u>372,068</u>	<u>789,054</u>
Total Cash Receipts			
	<u>416,986</u>	<u>372,068</u>	<u>789,054</u>
Cash Disbursements:			
Purchased Services	436,267	398,764	835,031
	<u>436,267</u>	<u>398,764</u>	<u>835,031</u>
Total Disbursements			
	<u>436,267</u>	<u>398,764</u>	<u>835,031</u>
Total Receipts Over/(Under) Disbursements	(19,281)	(26,696)	(45,977)
Fund Cash Balances, July 1	<u>34,628</u>	<u>80,737</u>	<u>115,365</u>
Fund Cash Balances, June 30	<u><u>\$15,347</u></u>	<u><u>\$54,041</u></u>	<u><u>\$69,388</u></u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003**

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 a county council consists of the following individuals.

- a. 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;
- b. The health commissioner of the board of health of each city or general health district in the county, or their designees;
- c. The director of the county department of human services;
- d. The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code;
- e. The superintendent of the county board of mental retardation and developmental disabilities;
- f. The county's juvenile court judge senior in service;
- g. 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.
- h. A school superintendent representing all other school district with territory in the county, as designated at a biennial meeting of the superintendents of those districts;
- i. A representative of the largest city in the county;
- j. The chair of the board of county commissioners, or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county's head start agencies, as defined in section 3301.31 of the Revised Code;
- m. 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"; and
- n. 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 per cent of the council's remaining membership.

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.

**FAMILY AND CHILDREN FIRST COUNCIL
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

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 every 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; and
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving service with in the county system.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and 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.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The Council uses fund accounting to segregate cash and investments that are restricted as to use. The Council classifies its funds into the following types:

1. General Fund

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

2. 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 expenditure for specific purposes.

**FAMILY AND CHILDREN FIRST COUNCIL
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

The Council maintains a separate special revenue fund for each program which is awarded to the Council that is either entirely or partially funded from federal or state sources. As of, and for the years ended June 30, 2004 and June 30, 2003, the following programs were awarded to the Council: The Ohio Wellness Block Grant, Help Me Grow Grant, and the Welcome Home Grant.

D. 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. BUDGETARY ACTIVITY

The Council submits annual budgets to the fiscal agents as required by Ohio Law. These budgets summarize estimated receipts and disbursements.

Budgetary activity for the years ending June 30, 2004, and June 30, 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$207,725	\$191,363	(\$16,362)
Special Revenue	307,868	291,323	(16,545)
Total	\$515,593	\$482,686	(\$32,907)

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$351,214	\$135,899	\$215,315
Special Revenue	328,262	305,719	22,543
Total	\$679,476	\$441,618	\$237,858

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$277,359	\$416,986	\$139,627
Special Revenue	253,883	372,068	118,185
Total	\$531,242	\$789,054	\$257,812

**FAMILY AND CHILDREN FIRST COUNCIL
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$305,200	\$436,267	(\$131,067)
Special Revenue	368,225	398,764	(30,539)
Total	\$673,425	\$835,031	(\$161,606)

3. EQUITY IN POOLED CASH AND INVESTMENTS

The Moundbuilders Guidance Center maintained a portion of the Council's cash in a separate bank account.

Monies held by Knox County were maintained in a cash pool used by all of Knox County's funds, including those of the Family and Children First Council. Council activity is maintained within the accounts set up in the Knox County Department of Job and Family Services (KCDJFS) Public Assistance Fund.

The carrying amount of cash at June 30 was as follows:

	2004	2003
Moundbuilders Guidance Center	\$ 62,212	\$ 75,918
Knox County Auditor	\$ 48,646	\$ (6,530)
Total Deposits	\$ 110,858	\$ 69,388

Deposits: The Knox County Auditor, and Moundbuilders Guidance Center, as the fiscal agents for the Council, are responsible for maintaining adequate collateral for all funds in Knox County's pooled and deposit accounts, and Moundbuilders Guidance Center's cash pool. The negative balance at June 30, 2003 was covered by the KCDJFS Public Assistance Fund.

**FAMILY AND CHILDREN FIRST COUNCIL
KNOX COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2003**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Passed Through Ohio Department of Health:</i>			
Special Education-Grants for Infants and Families with Disabilities	45-1-003-1-EG-03	84.181	<u>\$49,250</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through Knox County Department of Job and Family Services:</i>			
Temporary Assistance for Needy Families	-	93.558	<u>279,989</u>
Total			<u><u>\$329,239</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**FAMILY AND CHILDREN FIRST COUNCIL
KNOX COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2003**

NOTE A. SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Council's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B. SUBRECIPIENTS

The Council passes-through certain Federal assistance received from Knox County Department of Jobs and Family Services to other governments (subrecipients). As described in Note A, the Council records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the Council is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contacts or grant agreements, and that performance goals are achieved.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Family and Children First Council
Knox County
117 East High Street, 3rd Floor
Mount Vernon, Ohio 43050

To Members of the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Knox County, Ohio, (the Council) as of and for the years ended June 30, 2004, and June 30, 2003, and have issued our report thereon dated November 20, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operations that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Council's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2004-001.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

This report is intended solely for the information and use of the audit committee, management, the Members of Council, 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.



Betty Montgomery
Auditor of State

November 20, 2004



**Auditor of State
Betty Montgomery**

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

Family and Children First County
Knox County
117 East High Street, 3rd Floor
Mount Vernon, Ohio 43050

To the Members of the Council:

Compliance

We have audited the compliance of the Family and Children First Council, Knox 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 are applicable to its major federal program for the year ended June 30, 2003. The Council's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. 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 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 are applicable to its major federal program for the year ended June 30, 2003. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements for the year ended June 30, 2003, that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings as item 2004-002.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

Internal Control Over Financial Reporting

The management of the Council is responsible for establishing and maintaining effective internal control over compliance with 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 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the Members of Council, 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.



Betty Montgomery
Auditor of State

November 20, 2004

**FAMILY AND CHILDREN FIRST COUNCIL
KNOX COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2004 AND 2003**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions 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?	Yes
(d)(1)(vii)	Major Programs (list):	Temporary Assistance for Needy Families CFDA #93.558
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**FAMILY AND CHILDREN FIRST COUNCIL
KNOX COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2004 AND 2003
(Continued)**

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

FINDING NUMBER 2004-001

County Pooled Funds

The Knox County Family and Children First Council (the Council) utilized the Knox County Department of Job and Family Services (DJFS) as an Administrative agent for its pooled funding during the audit period. The Council funds were commingled with the funds of the DJFS. Although, the funds were kept in separate receipt and expenditure line accounts, there was no feasible way to track fund balances on a timely basis. Consequently, the Council's pooled cash balance was a negative (\$6,530) at the end of the fiscal year 2003.

Per the Agreement to Administer between the Council and the DJFS, the DJFS should maintain their financial accounting system in such a manner as to provide a separate set of accounting records, including revenue and expense, assets, liabilities and fund balance for the Knox County Family and Children First Council.

In order to accurately track and account for the Council funds and to adhere to the Agreement to Administer, we recommend that:

- a separate fund be set up for the Council's funds; and
- monthly financial reports detailing the receipts, disbursements and fund balances that have been reconciled to the fiscal agent's ledgers (Knox County), be submitted to the Council on a monthly basis so the Council Coordinator can reconcile this activity to the Council's internal records.

3. FINDING FOR FEDERAL AWARDS

FINDING NUMBER 2004-002

Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section .200(a) provides that a non-federal entity that expends \$300,000 (\$500,000 after fiscal year 2003) or more in a year in federal awards shall have a single audit conducted as discussed in the Circular. Section .105 defines such entities as "auditees". Section .300(a) states, an auditee shall "Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal programs and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity."

Section .300(e) further states, an auditee shall "Ensure that the audits required by this part are properly performed and submitted when due." Section .320 provides that single audits shall be completed and a reporting package submitted to the federal clearinghouse designated by OMB, no later than nine months after the end of the audit period.

**FAMILY AND CHILDREN FIRST COUNCIL
KNOX COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2004 AND 2003
(Continued)**

3. FINDING FOR FEDERAL AWARDS (Continued)

FINDING NUMBER 2004-002 (Continued)

The Council expended in excess of \$300,000 in federal awards during the fiscal year ended June 30, 2003, however, it did not ensure that a single audit was conducted within nine months of June 30, 2003.

We recommend the Council Coordinator develop procedures to ensure that a single audit is conducted for any fiscal year in which the current \$500,000 expenditure threshold is exceeded.

**FAMILY AND CHILDREN FIRST COUNCIL
KNOX COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2004 AND 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2002-60642-001	Council funds were commingled with the funds of the Administrative Agent.	No	Not Corrected; See finding 2004-001



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

KNOX COUNTY FAMILY AND CHILDREN FIRST COUNCIL

KNOX 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
JANUARY 18, 2005**