



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

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2009



Mary Taylor, CPA
Auditor of State

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

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Mary Taylor, CPA
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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 2, 2010

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Mary Taylor, CPA

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 statement of the Franklin County Family and Children First Council, Franklin County, Ohio, (the Council) as of and for the year ended December 31, 2009. This financial statement is the responsibility of the Council's management. Our responsibility is to express an opinion on this financial statement 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 this financial statement 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 statement presents, 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 statement does not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Councils 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 statement referred to above for the year ended December 31, 2009 does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council as of December 31, 2009, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the combined fund cash balances of the Franklin County Family and Children First Council, Franklin County, Ohio, as of December 31, 2009, and its combined cash receipts and disbursements for the year 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 August 2, 2010, 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 accompanying financial statement. The federal awards expenditure schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statement. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the financial statement. In our opinion, this information is fairly stated in all material respects in relation to the financial statement taken as a whole.



Mary Taylor, CPA
Auditor of State

August 2, 2010

**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 FISCAL YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental - Federal	\$ -	\$ 4,403,572	\$ 4,403,572
Intergovernmental - State	-	2,731,469	2,731,469
Local Contributions	<u>457,903</u>	<u>1,430,466</u>	<u>1,888,369</u>
Total Cash Receipts	<u>457,903</u>	<u>8,565,507</u>	<u>9,023,410</u>
Cash Disbursements:			
Personal Services	299,488	738,543	1,038,031
Contractual Services	122,140	6,904,430	7,026,570
Supplies and Materials	3,482	54,802	58,284
Capital Outlay	-	1,069	1,069
Services and Charges	<u>39,154</u>	<u>102,977</u>	<u>142,131</u>
Total Cash Disbursements	<u>464,264</u>	<u>7,801,821</u>	<u>8,266,085</u>
Excess of Cash Receipts Under Disbursements	(6,361)	763,686	757,325
Fund Cash Balances, January 1	<u>152,304</u>	<u>1,992,594</u>	<u>2,144,898</u>
Fund Cash Balances, December 31	<u>\$ 145,943</u>	<u>\$ 2,756,280</u>	<u>\$ 2,902,223</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, OHIO**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2009**

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, OHIO**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2009
(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.

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, OHIO**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2009
(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 (TANF) Fund – This fund receives federal grant money to enhance the local child and family serving system and provides services for expectant parents, newborns and their families, according to the terms of the Temporary Assistance for Needy Families Agreement.

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 the General Fund and Special Revenue Funds: Multisystems; Help Me Grow – GRF (in part); Help Me Grow – TANF (in part); and Part C (in part). 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.

E. Equity in Pooled Cash

The Franklin County Treasurer, as fiscal 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 December 31, 2009 was \$2,187,823. 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 December 31, 2009 was \$714,400. 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.

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.

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

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2009
(Continued)**

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 December 31, 2009.

3. SUBSEQUENT EVENTS

As of June 30, 2010, the ESC will take over the role of financial oversight 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.

As of June 30, 2010, the Council will change their financial reporting period to a June 30th year end date. The change in reporting period is a result of the above mentioned change in fiscal agent, as the ESC reports on a June 30th year end.

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

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009**

FEDERAL GRANTOR Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Health:</i>			
Special Education Grants - Infants and Families with Disabilities (Help Me Grow/Part C)	2310021E	84.181	<u>\$1,409,506</u>
Total U.S. Department of Education			<u>1,409,506</u>
U.S. DEPARTMENT OF HUMAN SERVICES			
<i>Passed Through Ohio Department of Job and Family Services:</i>			
Temporary Assistance for Needy Families: Help Me Grow	N/A	93.558	<u>3,968,494</u>
Total U.S. Department of Human Services			<u>3,968,494</u>
Total			<u>\$5,378,000</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
FISCAL YEAR ENDED DECEMBER 31, 2009**

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.



Mary Taylor, CPA

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 statement of the Franklin County Family and Children First Council, Franklin County, Ohio (the Council) as of and for the year ended December 31, 2009, and have issued our report thereon dated August 2, 2010, 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 statement, 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 Council's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 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*.

We also noted a certain matter not requiring inclusion in this report that we reported to the Council's management in a separate letter dated August 2, 2010.

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. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 2, 2010



Mary Taylor, CPA

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 apply to its major federal program for the year ended December 31, 2009. 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 apply to its major federal program for the year ended December 31, 2009. However, the results of our auditing procedures disclosed another 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 2009-002.

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 the requirements that could directly and materially affect 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, 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.

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

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2009-002 to be a material weakness.

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. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

August 2, 2010

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009**

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?	Yes
(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):	Temporary Assistance for Needy Families – Help Me Grow: 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

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009
(Continued)**

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

FINDING NUMBER 2009-001

Financial Reporting – Material Weakness

Sound financial reporting is the responsibility of the Council's Director, Finance Manager, Council Members, and Administrative Agents and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following audit adjustments and reclassifications were made to the Council's December 31, 2009 financial statements:

- Reclassification of HMG-GRF receipts of \$2,384,170 from Local Contributions to Intergovernmental-State.
- Adjustment reducing Intergovernmental-Federal receipts by \$899,697 in the HMG-TANF fund to correct a double-posting of receipts.
- Adjustment increasing Intergovernmental-Federal receipts by \$1,864,568 in the HMG-TANF fund due to draws that were left off the FCFC ledger in error (totaling \$2,592,189) and due to a \$727,621 grant return that was left off the FCFC ledger in error.

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
DECEMBER 31, 2009
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS

FINDING NUMBER 2009-002

CFDA Title and Number	Temporary Assistance for Needy Families – Help Me Grow: CFDA# 93.558
Federal Award Number / Year	2009
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of Job and Family Services

Time and Effort Certification Process - Noncompliance Finding / Material Weakness

2 C.F.R. Part 225, Appendix B subsection 8.h. provides, in part, that salaries and wages shall be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official of the governmental unit. When employees work on multiple activities or cost objectives, a distribution of compensation shall be supported by personnel activity reports that reflect the actual activity and total activity of the employees, unless certain time study requirements are met. An employee whose compensation is allocated solely to a single cost objective must furnish semiannual certificates that he/she has been engaged solely in activities supportive of the cost objectives.

The Council did not complete the appropriate personnel activity reports/certification for Help Me Grow employees who were charged 100% to the HMG-TANF grant. Time and Effort Certifications are required for these employees per 2 C.F.R. Part 225, Appendix B, paragraph 8.h.(3). Alternative measures were able to be assessed to determine the allowability of the salaries for these employees.

We recommend the Council maintain personnel activity reports that reflect an after the fact distribution of the actual activity of each employee, account for the total activity for which each employee is compensated, and contain a certification signature of the grant coordinator and employee. These personnel activity reports should be completed semi- annually for employees that are paid solely from a single federal grant and/or cost objective and should be completed on at least a monthly basis and coincide with one or more pay periods and/or for those employees who receive less than 100% of their compensation from a single federal grant cost objective.

We did not receive Official Responses for the findings denoted above

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

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Financial Reporting Recommendation	No	Not Corrected - Reissued as 2009-001.
2008-002	2 CFR, Part 225, App B – Time and Effort Certification – Federal Grants.	No	Not Corrected - Reissued as 2009-002.
2008-003	31 USC 7502(a)(1)(A) – Filing Single Audit with Federal Audit Clearing House	No	Not Corrected – As of opinion date no correction for 2008 and it cannot be determined if 2009 will be submitted timely.



Mary Taylor, CPA
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
SEPTEMBER 30, 2010**