

Regular Meeting 12/09/99

TO: Juvenile Welfare Board Members

FROM: James E. Mills, Executive Director
Lisa A. Sahulka, Director of Programs & Finance

Funded Agency Compliance Issues – Quarterly Report

This report is designed to keep the Board advised of compliance matters related to funded agencies.

Asian Family & Community Empowerment Center: On September 9, 1999 Asian FACE was placed on a corrective action plan for fiscal and personnel management issues. At the last review, eight of nine items were satisfactorily completed. This includes the review of the personnel file of the Executive Director, development of an administrative cost rate, internal controls, cost allocation plan and agency budget. The accounting system was updated to an accrual-based system. All expense reports are filed with supporting documents and Board Minutes are being documented and forwarded to the Juvenile Welfare Board. The last item of updating financial and personnel policy manuals is in progress.

Brookwood, A Young Women's Residence: The management letter attached to the agency's last financial audit revealed a substantial number of material weaknesses. The Agency's response to the management letter indicates that the material weaknesses have been corrected. Programs & Finance staff will confirm that identified audit issues have been corrected. Staff will monitor results of the agency's next audit, which is scheduled to be submitted to JWB by 4/30/00.

Community Pride Child Care: JWB site visit reports have requested formulation of accounting policies and procedures since FY 94-95. The agency reports that the policies and procedures should be completed by January 2000. JWB Staff has provided ongoing technical support and will continue to monitor the issue.

Friends of the Deaf Service Center: As previously reported, the FY 97-98 audit for the Friends of the Deaf (FOD) reported seventeen recommendations and that agency expenses had exceeded revenues by \$244,784. The significant increase in the deficit was a result of several factors including back taxes owed to the IRS and the State of Florida, flood and lighting damage, and a damaged accounting software system that has severely impacted the agency's ability to produce accurate financial statements. A Going Concern note was issued by their auditors.

The agency has made an effort to address the deficit by reorganizing programs, selling one of its current facilities, requesting a waiver of penalties from the IRS, hiring a new bookkeeper, and trying to correct, update and reconcile the financial records.

The Executive Director reported in November that the agency has paid off (or had waived) all back taxes owed to the IRS and the State of Florida. They are in the midst of relocating all services to a single program site, have new and/or upgraded accounting software and computers, and are now able to produce reliable balanced monthly financial statements. Also, a new finance manager has been hired and the agency has recently engaged a new

CPA to complete the FY 1998-99 audit.

James B. Sanderlin Family Service Center: The Neighborhood Family Center has been under a corrective action plan since October 12, 1998. At the last site visit, Sanderlin Neighborhood Family Center was in non-compliance. The agency did address fiscal and personnel action items, conducted a neighborhood survey, provided Board training, and improved the overall ambience of the facility. Two major items require quarterly reviews: the data collection system and results of the neighborhood survey.

Dr. Ronna Rowlette of Rowlette Research Associates is currently conducting an outcome study of all Neighborhood Family Centers and the results of the study will be shared with the Board when completed.

Juvenile Services Program: JWB staff has been monitoring the efforts of this agency to alleviate its considerable deficit. One creditor has forgiven a debt of \$143,218. The agency owes its new Executive Director and Deputy Director \$154,531. The total net deficit at the end of FY 98-99 was \$196,260 which represents a \$23,749 reduction from the previous year. Staff will continue to monitor this issue.

Staff Resource Persons:

- Karen Perkins
- Michael Stafford
- Gary Cernan
- Trenia Cox
- Michael Schmidt
- Beverly Lightfoot