



Auditor of State
Betty Montgomery

STARK COUNTY FAMILY COUNCIL
STARK COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances All Governmental Fund Types For the Year Ended December 31, 2004	5
Notes to the Financial Statements	7
Federal Awards Expenditures Schedule.....	13
Notes to the Federal Awards Expenditures Schedule	14
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	15
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	17
Schedule of Findings.....	19

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

Stark County Family Council
Stark County
800 Market Ave. N.
Suite 1500
Canton, Ohio 44702

To the Members of the Board:

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 a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government 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 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 cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

September 12, 2005

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Stark County Family Council
Stark County
800 Market Ave. N.
Suite 1500
Canton, Ohio 44702

To the Members of the Board:

We have audited the accompanying financial statements of the Stark County Family Council, Stark County, Ohio, (the Council) as of and for the year ended December 31, 2004. 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.

Revisions to GAAP would require the Council to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Council has elected not to reformat its statements. Since this Council does not use GAAP to measure financial statement amounts, 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 year ended December 31, 2004 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 December 31, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Stark County Family Council, Stark County, as of December 31, 2004, and its combined cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Council to include Management's Discussion and Analysis for the year ended December 31, 2004. 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 September 12, 2005, 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. The Federal Awards Expenditure Schedule presents additional information and is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. It is not a required part of the financial statements. We subjected this schedule to the auditing procedures applied in our audit of the Council's financial statements. For reasons stated in the third paragraph, the basic financial statements 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 December 31, 2004, or its changes in financial position or its cash flows for the year then ended. Therefore we are unable to express, and we do not express, an opinion on the Federal Awards Expenditure Schedule.



Betty Montgomery
Auditor of State

September 12, 2005

**STARK COUNTY FAMILY COUNCIL
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$28,802	\$2,809,415	\$2,838,217
Local Agency Contributions		786,873	786,873
Other	4,653	2,810	7,463
	<u>33,455</u>	<u>3,599,098</u>	<u>3,632,553</u>
Total Cash Receipts			
	<u>33,455</u>	<u>3,599,098</u>	<u>3,632,553</u>
Cash Disbursements:			
Current:			
Salaries and Benefits	43,648	591,412	635,060
Supplies and Materials	8,339	50,823	59,162
Purchased Services	27,100	3,338,582	3,365,682
Other	1,273	14,959	16,232
Capital Outlay	631	14,965	15,596
	<u>80,991</u>	<u>4,010,741</u>	<u>4,091,732</u>
Total Cash Disbursements			
	<u>80,991</u>	<u>4,010,741</u>	<u>4,091,732</u>
Total Cash Receipts (Under) Cash Disbursements	<u>(47,536)</u>	<u>(411,643)</u>	<u>(459,179)</u>
Other Financing Receipts and (Disbursements):			
Transfers-In	501,156		501,156
Transfers-Out		(501,156)	(501,156)
	<u>501,156</u>	<u>(501,156)</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)			
	<u>501,156</u>	<u>(501,156)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	453,620	(912,799)	(459,179)
Fund Cash Balances, January 1	<u>(163,037)</u>	<u>1,245,378</u>	<u>1,082,341</u>
Fund Cash Balances, December 31	<u>\$290,583</u>	<u>\$332,579</u>	<u>\$623,162</u>
Reserve for Encumbrances, December 31	<u>\$3,383</u>	<u>\$344,816</u>	<u>\$348,199</u>

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

This page intentionally left blank.

**STARK COUNTY FAMILY COUNCIL
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Ohio Rev. Code Section 121.37 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 Family and Children First 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 Ohio Rev. Code Section 5153.15;
- 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 districts 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 or 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 Ohio Rev. Code Section 3301.31;
- 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 percent of the council's remaining membership.

**STARK COUNTY FAMILY COUNCIL
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

In addition, 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 service 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, inter-agency 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; and
- f. Establish a mechanism to ensure ongoing input from a board representation of families who are receiving services within the county system.

The Stark County Family Council (the Council) was officially created on March 15, 1995 by proclamation of the Governor of the State of Ohio.

The Stark County Community Mental Health Board serves as administrative agent for the Council and the Stark County Auditor serves as fiscal agent for the Council.

The Council's management believes these financial statements present all activities for which the council is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements. The Council recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**STARK COUNTY FAMILY COUNCIL
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash and Investments

The Stark County Treasurer maintains a cash and investment pool used by all of the County's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments.

D. 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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

Early Intervention Part C – This fund receives federal grant money for the purpose of providing services to families with young children who have disabilities from birth to 3 years of age.

Pooled Funds – This fund receives money from a group consisting of four Stark County Boards, the Stark County Family Court and two school districts for the purpose of providing specialized, multi-need services to specifically identified children in a coordinated, focused fashion.

Help Me Grow (Temporary Assistance for Needy Families) Grant Fund – This fund receives federal grant money for the purpose of providing services to families with young children at greater risk.

GRF Fund – This fund receives state grant money for the purpose of providing services to families with young children at greater risk.

E. Budgetary Process

Ohio Revised Code Section 121.37(B)(4) requires the Council to file an annual budget with its administrative agent (Stark County Community Mental Health Board), the county auditor, and the board of county commissioners. This budget includes estimated resources and appropriations.

1. Appropriations

As Stark County serves as the fiscal agent for the Council, the Council is required to adopt annual appropriations. However, the County maintains all of the Council's financial activity in one fund; therefore, annual appropriations are adopted in total.

**STARK COUNTY FAMILY COUNCIL
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

The Council reserves (encumbers) appropriations when commitments are made, in accordance with the procedures of its fiscal agent (Stark County). Encumbrances outstanding at year-end are carried over and are not re-appropriated.

A summary of 2004 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

The Council records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. EQUITY IN POOLED CASH AND INVESTMENTS

Stark County, the fiscal agent for the Council, maintains a cash and investment pool used by all funds, including the Council. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31, 2004 was as follows:

Deposits with County Treasurer	\$623,162
--------------------------------	-----------

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2004 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
Council	\$4,064,229	\$3,377,970	(\$686,259)

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Council	\$4,330,637	\$4,185,348	\$145,289

**STARK COUNTY FAMILY COUNCIL
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

During 2004, the Council transferred cash balances in certain closed Special Revenue grant funds totaling \$501,156 to the FC Fund (General Fund) on the Council's records. While this activity is reflected as transfers in/out on the Council's financial statements, only one fund is utilized at Stark County to account for the Council's financial activity, therefore these transfers would not exist. As a result, those transfers would not need to be subsequently appropriated. To more accurately reflect appropriations approved by the Council versus budgetary expenditures, those transfers are excluded from the budgetary expenditures reflected above.

In addition, the Council initially recorded receipts from the Stark County Department of Job and Family Services net of expenditures, as the monies are not physically received by the Council but represent "In Kind" services. While this activity is reflected as receipts and expenditures on the Council's financial statements, the activity does not exist on Stark County ledgers. As a result, the related receipts and expenditures have not been budgeted and appropriate, respectively. To more accurately reflect budgetary activity, these receipts and expenditures totaling \$254,583 are excluded from the actual receipts and budgetary expenditures reflected above.

4. RETIREMENT SYSTEM

The Council's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2004, members of OPERS contributed 8.5 percent of their gross salaries. The Council contributed an amount equaling 13.55 percent of participants' gross salaries. The Council has paid all contributions required through December 31, 2004.

5. LEASE AGREEMENTS

The Council has entered into a lease agreement with McKinley Rental, L.L.C. for the use of Suite 1600 at 800 Market Avenue North, Canton, Ohio 44702, for the term November 1, 2004 through October 31, 2005. The annual rent payment is \$17,829 payable in monthly installments of \$1,485.75.

The Council has exercised Option 2 of a lease agreement with McKinley Rental, L.L.C. for the use of Suite 1210 at 800 Market Avenue North, Canton, Ohio 44702, for the term March 1, 2004 through February 28, 2005. The annual rent payment is \$8,160 payable in monthly installments of \$680.

The Council has exercised Option 2 of a lease agreement with McKinley Rental, L.L.C. for the use of Suite 1610 at 800 Market Avenue North, Canton, Ohio 44702, for the term November 1, 2004 through October 31, 2005. The annual rent payment is \$13,464 payable in monthly installments of \$1,122.

The Council has entered into a lease agreement with McKinley Rental, L.L.C. for the use of 288 square feet of storage space at 800 Market Avenue North, Canton, Ohio 44702, for the term March 1, 2004 through October 31, 2005. The annual rent payment is \$864.

The Council has entered into a lease agreement with McKinley Rental, L.L.C. for the use of Suite 1500 at 800 Market Avenue North, Canton, Ohio 44702, for the term November 1, 2004 through October 31, 2005. The annual rent payment is \$8,304 payable in monthly installments of \$692.

**STARK COUNTY FAMILY COUNCIL
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004
(Continued)**

6. RISK MANAGEMENT

Commercial Insurance

The Council has obtained commercial insurance for the following risks:

- General liability;
- Automobile liability;
- Excess liability; and
- Professional liability.

Risk Pool Membership

The Council is a member of the Stark County Schools Council of Government which is a shared risk pool for health insurance provided to its member employees.

The pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of June 30:

	<u>2004</u>	<u>2003</u>
Cash and investments	\$11,306,366	\$16,143,143
Actuarial liabilities	6,841,000	5,089,000

7. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor, principally the state and federal governments. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts, if any, grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**STARK COUNTY FAMILY COUNCIL
STARK COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2004**

FEDERAL GRANTOR/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Health</i>			
Temporary Assistance for Needy Families	Not Available	93.558	<u>\$1,818,122</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Health</i>			
Early Intervention	2004-JB-T50-5104	84.181	<u>402,246</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Passed Through Ohio Department of Job and Family Services</i>			
Title V - Delinquency Prevention Program	2004-JV-T50-5104	16.548	<u>64,943</u>
Total			<u><u>\$2,285,311</u></u>

The accompanying notes are an integral part of this schedule.

**STARK COUNTY FAMILY COUNCIL
STARK COUNTY**

**NOTES TO FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2004**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require that the Council contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Council has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



**Auditor of State
Betty Montgomery**

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

Stark County Family Council
Stark County
800 Market Ave. N.
Suite 1500
Canton, Ohio 44702

To the Members of the Board:

We have audited the financial statements of the Stark County Family Council, Stark County, Ohio, (the Council) as of and for the year ended December 31, 2004, and have issued our report thereon dated September 12, 2005, 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

In a separate letter to the Council's management dated September 12, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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*.

Stark County Family Council
Stark County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the audit committee, management, the Council, federal awarding agencies, and pass-through entities. It is not intended for 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

September 12, 2005



Auditor of State Betty Montgomery

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

Stark County Family Council
Stark County
800 Market Ave. N.
Suite 1500
Canton, Ohio 44702

To the Members of the Board:

Compliance

We have audited the compliance of the Stark County Family Council, Stark 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, 2004. 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 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 reasonably assure whether noncompliance occurred with the types of 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 Stark County Family 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, 2004. In a separate letter to the Council's management dated September 12, 2005, we reported an other matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The Council's management 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 directly and materially affect a major federal program 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.

101 Central Plaza South / 700 Bank One Tower / Canton, OH 44702
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001
www.auditor.state.oh.us

Stark County Family Council
Stark County
Independent Accountants' Report on Compliance with Requirements
Applicable to Its Major Federal Program and 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 reportable 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 caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We intend this report solely for the information and use of the audit committee, management, the Council, federal awarding agencies, and pass-through entities. It is not intended for 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

September 12, 2005

**STARK COUNTY FAMILY COUNCIL
STARK COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2004**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Temporary Assistance for Needy Families (TANF), CFDA #93.558
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



**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

STARK COUNTY FAMILY COUNCIL

STARK 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 29, 2005**