



**FAMILY AND CHILDREN FIRT COUNCIL
MADISON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2006-2005



Mary Taylor, CPA
Auditor of State

**FAMILY AND CHILDREN FIRST COUNCIL
MADISON COUNTY**

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Mary Taylor, CPA

Auditor of State

Family and Children First Council
Madison County
52 South Main Street
London, Ohio 43140

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.

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Mary Taylor, CPA
Auditor of State

June 11, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council
Madison County
52 South Main Street
London, Ohio 43140

To the Council Members:

We have audited the accompanying financial statements of the Family and Children First Council, Madison County, Ohio, (the Council) as of and for the years ended December 31, 2006, and December 31, 2005. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

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

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Council's larger (i.e. major) funds separately. While the Council does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require 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 statements referred to above for the years ended December 31, 2006 and December 31, 2005, 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, 2006 and December 31, 2005, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Family and Children First Council, Madison County, Ohio, as of December 31, 2006, and December 31, 2005, and its combined cash receipts and disbursements for the years 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 June 11, 2007, 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.



Mary Taylor, CPA
Auditor of State

June 11, 2007

**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 YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$329,667	\$362,369	\$692,036
Local Contributions	117,026	0	117,026
Other	0	507	507
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	446,693	362,876	809,569
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Contractual Services	433,099	322,130	755,229
Supplies	0	2,162	2,162
Equipment	0	2,231	2,231
Travel/Training	0	6,135	6,135
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	433,099	332,658	765,757
	<hr/>	<hr/>	<hr/>
Total Receipts Over (Under) Disbursements	13,594	30,218	43,812
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	28,101	97,719	125,820
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$41,695</u>	<u>\$127,937</u>	<u>\$169,632</u>

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

**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 YEAR ENDED DECEMBER 31, 2005**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$20,000	\$268,888	\$288,888
Local Contributions	114,455	0	114,455
Other	0	0	0
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	134,455	268,888	403,343
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Contractual Services	134,664	270,979	405,643
Supplies	0	3,080	3,080
Travel/Training	0	3,200	3,200
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	134,664	277,259	411,923
	<hr/>	<hr/>	<hr/>
Total Receipts Over (Under) Disbursements	(209)	(8,371)	(8,580)
Fund Cash Balances, January 1	28,310	106,090	134,400
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$28,101</u>	<u>\$97,719</u>	<u>\$125,820</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2006 AND 2005**

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 jobs and family services;
- d. The executive director of the Public Children Services Agency;
- 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 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 3301.32 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 "Individuals with Disabilities Education Act of 2004";
- n. At least three individuals who are not employed by an agency represent on the council and whose families are or have received services from an agency represented on the council or another county's council. Where possible, the number of members representing families shall be equal to twenty per cent of the council's membership;
- o. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families;

**FAMILY AND CHILDREN FIRST COUNCIL
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2006 AND 2005
(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 "Individuals with Disabilities Education Act of 2004";
- 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

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 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.

**FAMILY AND CHILDREN FIRST COUNCIL
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2006 AND 2005
(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 Fund:

Help Me Grow – This fund receives grant money to enhance the local child and family serving system, according to the terms of the Temporary Assistance for Needed Families Agreement. In addition, this fund receives grant money to provide services for expectant parents; newborns and their families; and infants and toddlers at risk for or with developmental delays and disabilities and their families.

D. Administrative/ Fiscal Agent

The Council designated Madison County as the fiscal agent for all funds received in the name of the Council. The Madison County Commissioners have been designated as the Council's administrative agent. The Commissioners have established a Department of Family and Children First to administer the Council's activities.

E. Equity in Pooled Cash

The Madison County Auditor, 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, 2006 and 2005 was \$169,632 and \$125,820, respectively. The Madison 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 Madison County.

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.

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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*

Family and Children First Council
Madison County
52 South Main Street
London, Ohio 43140

To the Council Members:

We have audited the financial statements of Family and Children First Council, Madison County, Ohio (the Council) as of and for the years ended December 31, 2006, and December 31, 2005, and have issued our report thereon dated June 11, 2007, 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 expressing our opinion on the financial statements, but not to opine 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.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Council's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Council's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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 intend this report solely for the information and use of the audit committee, management and the Council Members. It is not intended for anyone other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

June 11, 2007



Mary Taylor, CPA
Auditor of State

FAMILY AND CHILDREN FIRST COUNCIL

MADISON 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
AUGUST 28, 2007**