



Mary Taylor, CPA
Auditor of State

CHAMPAIGN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
CHAMPAIGN COUNTY

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Mary Taylor, CPA
Auditor of State

Champaign County Family and Children First Council
Champaign County
1512 South US Highway 68
Suite M100
Urbana, Ohio 43078

To the Members of the Council:

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 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 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

September 23, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Champaign County Family and Children First Council
Champaign County
1512 South US Highway 68
Suite M100
Urbana, Ohio 43078

To the Members of the Council:

We have audited the accompanying financial statements of the Champaign County Family and Children First Council, Champaign County (the Council), as of and for the years ended December 31, 2008 and 2007. 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 requires 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, 2008 and 2007 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, 2008 and 2007, 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 the Family and Children First Council, Champaign County, as of December 31, 2008 and 2007, 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 September 23, 2009, 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.

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

Mary Taylor, CPA
Auditor of State

September 23, 2009

**CHAMPAIGN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Type</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$99,251	\$335,005	\$434,256
Cash Disbursements:			
Salaries - Employees	55,256	11,559	66,815
Group Insurance	165		165
Medicare	411		411
OPERS	7,725	1,625	9,350
Unemployment	408		408
Worker's Compensation	2,232	378	2,610
Supplies	1,147	4,163	5,310
Postage	873		873
Equipment	2,703		2,703
Professional Service	1,616	4,729	6,345
Repair/Maintenance	1,092		1,092
Rent	8,316		8,316
Telephone	1,371		1,371
Advertising	470		470
Printing/Publications	115		115
Meeting Expenses	7,027	409	7,436
Travel/Training	2,034		2,034
Parent Stipend	390	105	495
Purchased Services	856	314,625	315,481
Total Cash Disbursements	<u>94,207</u>	<u>337,593</u>	<u>431,800</u>
Total Receipts Over/(Under) Disbursements	<u>5,044</u>	<u>(2,588)</u>	<u>2,456</u>
Fund Cash Balances, January 1	<u>(23,942)</u>	<u>184,259</u>	<u>160,317</u>
Fund Cash Balances, December 31	<u><u>(\$18,898)</u></u>	<u><u>\$181,671</u></u>	<u><u>\$162,773</u></u>

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

**CHAMPAIGN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Type</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$48,660	\$339,770	\$388,430
Refunds/Reimbursements	2,894		2,894
Other	50		50
Total Cash Receipts	<u>51,604</u>	<u>339,770</u>	<u>391,374</u>
Cash Disbursements:			
Salaries - Employees	51,541	12,008	63,549
Group Insurance	166		166
Medicare	330	19	349
OPERS	7,056	1,465	8,521
Unemployment		1,917	1,917
Worker's Compensation	2,249	515	2,764
Supplies	2,794	4,602	7,396
Postage	819	195	1,014
Equipment	119		119
Professional Service	4,424	19,630	24,054
Repair/Maintenance	733		733
Rent	8,316		8,316
Telephone	1,103		1,103
Advertising	152		152
Printing/Publications	115		115
Meeting Expenses	2,500	968	3,468
Travel/Training	4,354		4,354
Audit	4,560		4,560
Parent Stipend	675		675
Purchased Services	5,477	275,308	280,785
Total Cash Disbursements	<u>97,483</u>	<u>316,627</u>	<u>414,110</u>
Total Receipts Over/(Under) Disbursements	(45,879)	23,143	(22,736)
Fund Cash Balances, January 1	<u>21,937</u>	<u>161,116</u>	<u>183,053</u>
Fund Cash Balances, December 31	<u><u>(\$23,942)</u></u>	<u><u>\$184,259</u></u>	<u><u>\$160,317</u></u>

**CHAMPAIGN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Ohio Revised Code Section 121.37 created the Ohio Family and Children First 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 the 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 designee;
- c. The director of the county department of job and family services;
- d. The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Ohio Revised Code;
- e. The superintendent of the county board of mental retardation and development disabilities;
- f. 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;
- g. 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;
- h. A representative of the largest city in the county;
- i. The chair of the board of county commissioners, or an individual designated by the board;
- j. A representative of the regional office of the department of youth services;
- k. A representative of the county's head start agencies, as defined in section 3301.11 of the Ohio Revised Code;
- l. A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "Individual with Disabilities Education Act of 2004";
- m. 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.

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.

**CHAMPAIGN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. Make periodic reports to the cabinet council regarding the number of children referred to the county council and the progress made in meeting the needs of each child;
- c. Develop a plan that reviews and adjusts existing programs, fills 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, 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 board representation of families who are receiving services within the county system.

1. Council

The Council was officially recognized as being established by the Governor on March 30, 1995.

2. Executive Committee

The Executive Committee is composed of eight members elected from the members of the full Council. They represent the following agencies:

- a) Mental Health, Drug & Alcohol Services
- b) Champaign County Health District
- c) Madison/Champaign Education Service Center
- d) Parent Representative
- e) Champaign County Commissioners
- f) Champaign County Department of Jobs and Family Services
- g) Champaign County Board of MR/DD
- h) Mercy Well Child Clinic

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 accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements adequately disclose material matters the Auditor of State prescribes.

**CHAMPAIGN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash

As required by Ohio Revised Code, the County Treasurer is custodian for the Council's cash. The Council's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

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 is the general operating fund. It is used to account for all financial resources except those restricted by law or contract.

2. Special Revenue Fund

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

Help Me Grow TANF – This Fund accounts for funding to provide direct services to children ages birth to three who are at significant developmental risk, and their families.

E. Budgetary Process

ORC Section 121.37 states that the Council should file an annual budget with their administrative agent.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

F. Fiscal Agent

The Champaign County Auditor has been designated by the Council to serve as the fiscal agent. Council funds are maintained in separate agency funds in the County.

G. Administrative Agent

The Mental Health, Drug, and Alcohol Services Board of Logan and Champaign Counties have been designated by the Council to serve as the administrative agent.

H. 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.

I. 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.

**CHAMPAIGN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Champaign County Auditor acts as fiscal agent and the Champaign County Treasurer maintains a cash and investment pool used by all County funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amounts for the Council's portion of cash and investments on the records of the County Auditor as of December 31, 2008, and 2007 were as follows:

<u>2008</u>	<u>2007</u>
<u>\$162,773</u>	<u>\$160,317</u>

Deposits: Deposits held by the Champaign County Treasurer 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 years ending December 31 2007, and 2008 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 65,500	\$ 99,251	\$33,751
Special Revenue	307,834	335,005	27,171
Total	\$373,334	\$434,256	\$60,922

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 95,710	\$ 94,207	\$1,503
Special Revenue	342,433	337,593	4,840
Total	\$438,143	\$431,800	\$6,343

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 82,000	\$ 51,604	(\$30,396)
Special Revenue	309,348	339,770	30,422
Total	\$391,348	\$391,374	\$ 26

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 97,987	\$ 97,483	\$ 504
Special Revenue	348,499	316,627	31,872
Total	\$446,486	\$414,110	\$32,376

**CHAMPAIGN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

4. RETIREMENT SYSTEMS

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 2008 and 2007, OPERS members contributed 10.00% and 9.50%, respectively, of their gross salaries and the Council contributed an amount equaling 14.00% and 13.85%, respectively, of participants' gross salaries. The Council has paid all contributions required through December 31, 2008.

5. RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets. During 2008 and 2007, the Council's fiscal agent, Champaign County, provided insurance for the assets of the Council.

6. RELATED PARTY TRANSACTIONS

The Council has contracts to provide grant services with Champaign County Board of MR/DD, Mercy Well Child, Urbana Schools, Champaign County Health District, and Champaign County Department of Job & Family Services. All agencies have a representative on the Council. When an issue involving a council members' agency contract comes before the Council for a motion, the council member abstains from voting.

7. CONTINGENCIES

A. Grants

The Council receives financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are 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, based on prior experience, management believes such refunds, if any, would not be material.

8. NEGATIVE GENERAL FUND BALANCE

At December 31, 2008 and 2007, the General Fund had a negative cash fund balances of \$18,898 and \$23,942, respectively. The Executive Committee and Director are seeking alternative sources of funding through grants and collaborative contributions to counter this issue.

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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*

Champaign County Family and Children First Council
Champaign County
1512 South US Highway 68
Suite M100
Urbana, Ohio 43078

To the Members of the Council:

We have audited the financial statements of the Champaign County Family and Children First Council, Champaign County (the Council), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated September 23, 2009, 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 opinions 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.

We noted certain internal control matters that we reported to the Council's management in a separate letter dated September 23, 2009.

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 management and Council. 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

September 23, 2009

CHAMPAIGN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
CHAMPAIGN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008 AND 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Annual Report Presentation	Yes	



Mary Taylor, CPA
Auditor of State

**FAMILY AND CHILDREN FIRST COUNCIL
CHAMPAIGN 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
NOVEMBER 12, 2009**