



Dave Yost • Auditor of State



CHAMPAIGN COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CHAMPAIGN COUNTY

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# Dave Yost • Auditor of State

Champaign County Family and Children First Council  
Champaign County  
P.O. Box 38147  
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.

A handwritten signature in black ink that reads "Dave Yost".

**Dave Yost**  
Auditor of State

October 17, 2011

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Champaign County Family and Children First Council  
Champaign County  
P.O. Box 38147  
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, 2010 and 2009. 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, 2010 and 2009 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, 2010 and 2009, 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, 2010 and 2009, 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 October 17, 2011, 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 black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

October 17, 2011



**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, 2010**

	<u>Governmental Fund Type</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$67,599	\$236,063	\$303,662
Refunds/Reimbursements	60		60
Other revenue	10,464		10,464
Total Cash Receipts	<u>78,123</u>	<u>236,063</u>	<u>314,186</u>
<b>Cash Disbursements:</b>			
Salaries - Employees	60,881	8,455	69,336
Group Insurance	5,762		5,762
Medicare	883	123	1,006
OPERS	8,523	1,183	9,706
Worker's Compensation	2,558	464	3,022
Supplies	1,028	1,865	2,893
Postage	616		616
Equipment	672		672
Professional Service		3,449	3,449
Repair/Maintenance	915		915
Rent	6,237		6,237
Telephone	2,237		2,237
Advertising	90		90
Meeting Expenses	2,465		2,465
Travel/Training	309		309
Audit	180		180
Parent Stipend	255		255
Purchased Services		258,897	258,897
Total Cash Disbursements	<u>93,611</u>	<u>274,436</u>	<u>368,047</u>
Total Receipts Over/(Under) Disbursements	<u>(15,488)</u>	<u>(38,373)</u>	<u>(53,861)</u>
Fund Cash Balances, January 1	<u>131,718</u>	<u>50,558</u>	<u>182,276</u>
Fund Cash Balances, December 31	<u><u>\$116,230</u></u>	<u><u>\$12,185</u></u>	<u><u>\$128,415</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, 2009**

	<u>Governmental Fund Type</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$72,355	\$316,634	\$388,989
Other	1,000		1,000
<b>Total Cash Receipts</b>	<u>73,355</u>	<u>316,634</u>	<u>389,989</u>
<b>Cash Disbursements:</b>			
Salaries - Employees	56,820	7,903	64,723
Group Insurance	1,022		1,022
Medicare	495	23	518
OPERS	7,436	1,321	8,757
Worker's Compensation	2,817	584	3,401
Supplies	818	512	1,330
Postage	438		438
Equipment	455		455
Professional Service	41	4,789	4,830
Repair/Maintenance	1,046		1,046
Rent	8,316		8,316
Telephone	1,394		1,394
Advertising	150		150
Meeting Expenses	5,323		5,323
Travel/Training	897		897
Audit	4,423		4,423
Parent Stipend	340		340
Purchased Services	76	263,047	263,123
<b>Total Cash Disbursements</b>	<u>92,307</u>	<u>278,179</u>	<u>370,486</u>
<b>Total Receipts Over/(Under) Disbursements</b>	(18,952)	38,455	19,503
<b>Fund Cash Balances, January 1 (restated)</b>	<u>150,670</u>	<u>12,103</u>	<u>162,773</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$131,718</u></u>	<u><u>\$50,558</u></u>	<u><u>\$182,276</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**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 developmental 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, 2010 AND 2009  
(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 DD
- h) United Way of Madison, Clark, Champaign Counties

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, 2010 AND 2009  
(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 and GRF** – These funds account for funding to provide direct services to children ages birth to three who are at significant developmental risk, and their families, and childhood issues including nutrition, early detection and intervention.

**E. Budgetary Process**

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

A summary of 2010 and 2009 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 has 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, 2010 AND 2009  
(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, 2010, and 2009 were as follows:

<u>2010</u>	<u>2009</u>
<u>\$128,415</u>	<u>\$182,276</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 2009, and 2010 follows:

<b>2010 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 69,683	\$ 78,123	\$8,440
Special Revenue	248,669	236,063	(12,606)
Total	\$318,352	\$314,186	(\$4,166)

<b>2010 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 93,610	\$ 93,611	(\$1)
Special Revenue	274,435	274,436	(1)
Total	\$368,045	\$368,047	(\$2)

<b>2009 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 77,500	\$ 73,355	(\$4,145)
Special Revenue	337,405	316,634	(20,771)
Total	\$414,905	\$389,989	(\$24,916)

<b>2009 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 96,453	\$ 92,307	\$ 4,146
Special Revenue	339,181	278,179	61,002
Total	\$435,634	\$370,486	\$65,148

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(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 2010 and 2009, OPERS members contributed 10.00%, of their gross salaries and the Council contributed an amount equaling 14.00%, of participants' gross salaries. The Council has paid all contributions required through December 31, 2010.

**5. RISK MANAGEMENT**

The Council is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets. During 2010 and 2009, 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 Developmental Disabilities, 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. RESTATEMENT OF BEGINNING FUND BALANCES**

The reported balances as of December 31, 2008 were (\$18,898) for the General fund and \$181,671 for the Special Revenue funds. The Special Revenue funds consist mainly of grant activity. Per the Ohio Department of Youth Services, the Champaign County Department of Job and Family Services, and the Ohio Department of Mental Health regarding the various grants, the balances of the grants were all used as required in the appropriate periods. Therefore, the large carryover balance that is in the Special Revenue funds actually reflect amounts belonging to the General fund. The remaining balances of the grants reflected in the Special Revenue funds should be \$12,103 as of December 31, 2008. The beginning balance for the General fund was increased \$169,568 and the beginning balances for the Special Revenue funds were decreased \$169,568 to properly reflect balances remaining as of December 31, 2008.

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# Dave Yost • 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  
P.O. Box 38147  
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, 2010 and 2009, and have issued our report thereon dated October 17, 2011, 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 statements, 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.

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 combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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*.

Champaign County Family and Children First Council  
Champaign County  
Independent Accountants' report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Governmental Auditing Standards*  
Page 2

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 black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State

October 17, 2011



# Dave Yost • Auditor of State

**CHAMPAIGN COUNTY 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 29, 2011**