



Dave Yost • Auditor of State

**FAMILY AND CHILDREN FIRST COUNCIL
UNION COUNTY**

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Dave Yost • Auditor of State

Family and Children First Council
Union County
940 London Avenue, Suite 1700
Marysville, Ohio 43040

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 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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Dave Yost
Auditor of State

April 27, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council
Union County
940 London Avenue, Suite 1700
Marysville, Ohio 43040

To the Members of the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Union County, Ohio, (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 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, 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, Union 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 April 27, 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.



Dave Yost
Auditor of State

April 27, 2011

**FAMILY AND CHILDREN FIRST COUNCIL
UNION 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 Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Federal Awards	\$ -	\$ 60,500	\$ 60,500
Intergovernmental	83,915	136,053	219,968
Administrative Fees	11,785	-	11,785
Miscellaneous	-	47	47
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	95,700	196,600	292,300
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Salaries	50,752	-	50,752
Supplies	290	1,731	2,021
Contracts - Services	440	159,160	159,600
Travel	1,027	220	1,247
Advertising and Printing	236	-	236
Insurance	14,320	-	14,320
Other	19,088	15,775	34,863
Public Employee's Retirement	7,105	-	7,105
Worker's Compensation	1,042	-	1,042
Medicare	699	-	699
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	94,999	176,886	271,885
	<hr/>	<hr/>	<hr/>
Total Receipts Over Disbursements	701	19,714	20,415
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	14,198	70,414	84,612
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$ 14,899</u>	<u>\$ 90,128</u>	<u>\$ 105,027</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
UNION 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 Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Federal Awards	\$ -	\$ 124,733	\$ 124,733
Intergovernmental	54,216	111,473	165,689
Administrative Fees	11,071	-	11,071
Miscellaneous	3,334	-	3,334
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	68,621	236,206	304,827
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Salaries	41,446	22,241	63,687
Supplies	384	2,462	2,846
Contracts - Services	3,987	194,930	198,917
Travel	914	-	914
Equipment	-	3,209	3,209
Insurance	9,912	4,517	14,429
Other	2,337	2,429	4,766
Public Employee's Retirement	5,596	3,274	8,870
Worker's Compensation	863	320	1,183
Medicare	579	75	654
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	66,018	233,457	299,475
	<hr/>	<hr/>	<hr/>
Total Receipts Over Disbursements	2,603	2,749	5,352
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	11,595	67,665	79,260
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Fund Cash Balances, December 31	<u>\$ 14,198</u>	<u>\$ 70,414</u>	<u>\$ 84,612</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
UNION COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Section 121.37, Ohio Rev. Code, created the Ohio Family and Children First Cabinet Council permitting counties to establish county family and children first councils. Statutory membership of the council consists of the following individuals:

- a. At least three individuals who are not employed by an agency represented on the council and whose families are or have received services from an agency which is represented on the council. If possible, twenty percent of the council's membership should consist of members representing families.
- b. The director of the community mental health board.
- c. The director of the county ADAMH board. For counties served by a joint ADAMH board, the joint board's director must designate a member to participate on the county's council.
- d. A representative from each city board of health and general health district in the county. If there are more than two health districts, then the membership is limited to the commissioners of the two districts with the largest populations.
- e. The director of the county department of job & family services.
- f. The executive director of county children's services board.
- g. The superintendent for the county board of developmental disabilities.
- h. The superintendent of the city, exempted village, or local school district within the territory in the county, as designated at a biennial meeting of the superintendents of those districts.
- i. The school superintendent representing all other school districts within the territory in the county, as designated at a biennial meeting of the superintendents of those districts.
- j. A representative of the municipal corporation with the largest population in the county.
- k. The president of the board of county commissioners or a designee.
- l. A representative from the regional office of the Ohio Department of Youth Services.
- m. A representative of the county's head start agencies.
- n. A representative of the county's early intervention collaborative.
- o. A representative of the local nonprofit entity that funds, advocates, or provide services to children and families.

**FAMILY AND CHILDREN FIRST COUNCIL
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(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. 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;
- c. Maintain an accountability system to monitor the council's progress in achieving its purposes;
- d. Establish a mechanism to ensure ongoing input from a board representation of families who are receiving services within the county system;
- e. 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 w/ Disabilities Education Act of 2004".

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 accounting basis. The Council 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's accounting basis requires.

C. 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 accounts for all financial resources except those required to be accounted for in another fund.

**FAMILY AND CHILDREN FIRST COUNCIL
UNION COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

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:

Help Me Grow Fund - This fund is used to account for receipts and expenditures of the Council's Help Me Grow Grant.

Ohio Child Trust Fund - This fund is used to account for receipts and expenditures of the Council's Ohio Child Trust Grant.

D. Administrative & Fiscal Agent

The Council designated the Union County Auditor as the fiscal agent for all funds received in the name of the Council. The Council designated the Union County Commissioners as the administrative agent.

E. Equity in Pooled Cash

The Council's cash and investments are maintained by Union County, its statutory fiscal agent. The Ohio Revised Code prescribes allowable deposits and investments and the County is responsible for compliance. As of December 31, 2010, and December 31, 2009, the Council's share of the County's Cash and Investments pool was as follows:

	<u>2010</u>	<u>2009</u>
Total Deposits	<u>\$105,027</u>	<u>\$84,612</u>

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.

2. BUDGETARY PROCESS

The Family and Children First Council is required by Ohio Law to submit a budget to its Administrative Agent, the County Board of Commissioners, and the County Auditor.

The Council prepared budgets for calendar years 2010 and 2009 and submitted them to the appropriate authorities. These budgets summarize estimated receipts and disbursements.

**FAMILY AND CHILDREN FIRST COUNCIL
UNION COUNTY**

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

2. BUDGETARY PROCESS (Continued)

Budgetary activity for the years ended December 31, 2010 and December 31, 2009 is as follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$93,101	\$95,700	\$2,599
Special Revenue	199,506	196,600	(2,906)
Total	\$292,607	\$292,300	(\$307)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$97,575	\$94,999	\$2,576
Special Revenue	199,061	176,886	22,175
Total	\$296,636	\$271,885	\$24,751

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$66,750	\$68,621	\$1,871
Special Revenue	268,308	236,206	(32,102)
Total	\$335,058	\$304,827	(\$30,231)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$67,935	\$66,018	\$1,917
Special Revenue	271,581	233,457	38,124
Total	\$339,516	\$299,475	\$40,041

3. RETIREMENT SYSTEM

The Council's employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, members of OPERS contributed 10% percent of their wages to OPERS. The Council contributed an amount equal to 14% percent of the employees' gross salary for 2010 and 2009. The Council has paid all contributions required through December 31, 2010.

**FAMILY AND CHILDREN FIRST COUNCIL
UNION COUNTY**

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

4. RISK MANAGEMENT

The Council is covered under Union County's insurance policy which includes:

- Comprehensive property and general liability;
- Errors and omissions

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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
Union County
940 London Avenue, Suite 1700
Marysville, Ohio 43040

To the Members of the Council:

We have audited the financial statements of the Family and Children First Council, Union County, Ohio, (the Council) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated April 27, 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*.

We intend this report solely for the information and use of management, the audit committee, and the members of the Family and Children First 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 style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

April 27, 2011

**FAMILY AND CHILDREN FIRST COUNCIL
UNION COUNTY**

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Financial Reporting	Yes	



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UNION FAMILY AND CHILDREN FIRST COUNCIL

UNION 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
MAY 19, 2011**