



**GEAUGA COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GEAUGA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2006 & 2005



Mary Taylor, CPA
Auditor of State

**GEAUGA COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GEAUGA COUNTY**

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Mary Taylor, CPA
Auditor of State

Geauga County Family and Children First Council
Geauga County
12480 Ravenwood Drive
Chardon, Ohio 44024

To the Board of Trustees:

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.

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Mary Taylor, CPA
Auditor of State

August 31, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Geauga County Family and Children First Council
Geauga County
12480 Ravenwood Drive
Chardon, Ohio 44024

To the Board of Trustees:

We have audited the accompanying financial statements of the Geauga County Family and Children First Council, Geauga County, Ohio, (the Council) as of and for the years ended December 31, 2006 and 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.

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 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 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 fund cash balance of the Geauga County Family and Children First Council, Geauga County, as of December 31, 2006 and 2005, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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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 August 31, 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.

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

August 31, 2007

**GEAUGA COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GEAUGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
Cash Receipts:		
Intergovernmental Revenue	\$291,887	\$511,041
Local Agency Contributions	1,046,233	1,060,168
Miscellaneous Revenue	24,486	20,919
	<u>1,362,606</u>	<u>1,592,128</u>
Total Cash Receipts	<u>1,362,606</u>	<u>1,592,128</u>
Cash Disbursements:		
Salaries - Employees	137,119	128,134
Office Supplies/Postage	199	786
Purchased Services	1,308,892	1,252,963
Other	9,179	34,886
Travel	2,185	1,192
	<u>1,457,574</u>	<u>1,417,961</u>
Total Cash Disbursements	<u>1,457,574</u>	<u>1,417,961</u>
Excess of Cash Receipts Over/Under Cash Disbursements	(94,968)	174,167
Beginning Fund Cash Balances	<u>504,322</u>	<u>330,155</u>
Ending Fund Cash Balances	<u><u>\$409,354</u></u>	<u><u>\$504,322</u></u>

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

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**GEAUGA COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
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 services 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 Section 5153.15 of the Ohio Revised Code;
- 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 3301.31 of the Ohio Revised Code;
- 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";
- 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.

A county family and children first council may invite any other public or private agency or group that funds, advocates, or provides services to children to have a representative become permanent or temporary member of the council.

A county council's statutory responsibilities include the following:

**GEAUGA COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

- 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 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 maintains its accounting records in accordance with the principles of fund accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions are reflected in a self-balancing group of accounts.

The General Fund is the general operating fund. It is used to account for all financial resources. The Council had the following sources of funding:

Intergovernmental Receipts – Funds received from the Administration Grants, Wellness Block Grant, IV-E Grant, Intersystems Collaborative for Youth Funds, Family Stability Grant, Welcome Home Grant and Reclaim Ohio Funds.

Local Agency Contributions – Local monies contributed by Geauga County Agencies including: Board of Mental Health; Alcohol and Drug Addiction Services; Children Services Board; Geauga County Juvenile Court; Human Services; Board of MR/DD and Board of Commissioners. The amount provided by each agency is based on the Council's annual budget and the amount of funding needed to fulfill Council obligations.

**GEAUGA COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fiscal Agent

The Geauga County Auditors serve as the fiscal agent for the Council. Council funds are maintained in a separate county agency fund, County Cluster Fund.

E. Contracted Services

The Case Coordinator is an employee of Geauga County Human Services. The funds used to reimburse for the services are derived from the Administrative Grant and Local Agency Contributions received by the Council and maintained in the Council's general fund.

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. During the audit period, the Council did not purchase such assets.

G. Finance Committee

The Council's Finance Committee consists of five (5) members of the Council who meet each fall.

H. Budgetary Process

The Ohio Revised Code requires each fund be budgeted annually. The Council must file their annual budget with the Council's fiscal agent.

3. EQUITY IN POOLED CASH

As required by the Ohio Revised Code, the Council's cash is held and invested by the Geauga County Treasurer, who acts as custodian for the Council's monies. 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. The Council's carrying amount of cash on deposit with the County at December 31, 2006 was \$409,354 and \$504,322 at December 31, 2005.

4. RETIREMENT SYSTEM

The Council's full-time 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.

Contribution rates are also prescribed by the Ohio Revised Code. For 2006 and 2005, members of OPERS contributed 9.0% and 8.5% of their gross salaries, respectively. The Council contributed an amount equal to 13.7% and 13.55% of participants' gross salaries for 2006 and 2005, respectively. The District has paid all contributions required through December 31, 2006.

5. RISK MANAGEMENT

The Council is covered under Geauga County.

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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

Geauga County Family and Children First Council
Geauga County
12480 Ravenwood Drive
Chardon, Ohio 44024

To the Board of Trustees:

We have audited the accompanying financial statements of Geauga County Family and Children First Council, Geauga County, Ohio (the Council) as of and for the years ended December 31, 2006 and 2005 and have issued our report thereon dated August 31, 2007, wherein we noted the District 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 Members of the Board. 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

August 31, 2007



Mary Taylor, CPA
Auditor of State

FAMILY AND CHILDREN FIRST COUNCIL

GEAUGA 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
OCTOBER 9, 2007**