



Mary Taylor, CPA
Auditor of State

**COLUMBIANA FAMILY AND CHILDREN FIRST COUNCIL
COLUMBIANA COUNTY**

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Mary Taylor, CPA
Auditor of State

Columbiana Family and Children First Council
Columbiana County
P.O. Box 315
Lisbon, Ohio 44432

To the Executive Committee:

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 a February 2, 2005 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 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

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Auditor of State

October 9, 2007

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Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Columbiana Family and Children First Council
Columbiana County
P.O. Box 315
Lisbon, Ohio 44432

To the Executive Committee:

We have audited the accompanying financial statements of Columbiana Family and Children First Council Columbiana County, (the Council) as of and for the years ended June 30, 2005 and 2004. 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.

Revisions to GAAP would require the Council to reformat its financial statement presentation and make other changes effective for the years ended June 30, 2005 and 2004. Instead of the combined funds the accompanying financial statements present for 2005 and 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005 and 2004. 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 new GAAP presentation requirements. The Auditor of State permits, but does not require council to reformat their statements. The Council has elected not to reformat its statements. Since the Council does not use GAAP to measure financial statement amounts, 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 June 30, 2005 and 2004 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 June 30, 2005 and 2004, 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 Columbiana Family and Children First Council, Columbiana County, as of June 30, 2005 and 2004, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Council to include Management's Discussion and Analysis for the years ended June 30, 2005 and 2004. 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 9, 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

October 9, 2007

**COLUMBIANA FAMILY AND CHILDREN FIRST COUNCIL
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	-	602,079	602,079
Local Governmental Agencies	52,817	-	52,817
Miscellaneous	18,381	-	18,381
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	71,198	602,079	673,277
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Salaries	41,465	146,564	188,029
Supplies and Materials	1,991	3,351	5,342
Travel	779	3,643	4,422
Miscellaneous	568	-	568
Program Disbursements	-	467,180	467,180
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	44,803	620,738	665,541
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts Over/ (Under) Cash Disbursements	26,395	(18,659)	7,736
	<hr/>	<hr/>	<hr/>
Fund Cash Balances - July 1, 2004	58,423	36,134	94,557
	<hr/>	<hr/>	<hr/>
Fund Cash Balances - June 30, 2005	<u>\$ 84,818</u>	<u>\$ 17,475</u>	<u>\$ 102,293</u>

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

**COLUMBIANA FAMILY AND CHILDREN FIRST COUNCIL
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Governmental Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	-	565,264	565,264
Local Governmental Agencies	54,050	-	54,050
Miscellaneous	18,304	-	18,304
	<u>72,354</u>	<u>565,264</u>	<u>637,618</u>
Total Cash Receipts			
Cash Disbursements:			
Salaries	19,403	140,174	159,577
Supplies and Materials	1,581	5,916	7,497
Travel	171	2,372	2,543
Miscellaneous	338	-	338
Program Disbursements	27,347	577,063	604,410
	<u>48,840</u>	<u>725,525</u>	<u>774,365</u>
Total Cash Disbursements			
Excess of Cash Receipts Over/ (Under) Cash Disbursements	23,514	(160,261)	(136,747)
	<u>34,909</u>	<u>196,395</u>	<u>231,304</u>
Fund Cash Balances - July 1, 2003			
Fund Cash Balances - June 30, 2004	<u>\$ 58,423</u>	<u>\$ 36,134</u>	<u>\$ 94,557</u>

The notes to the financial statements are and intregal part of this statement

**COLUMBIANA FAMILY AND CHILDREN FIRST COUNCIL
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005 AND 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Section 121.37, 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 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 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 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 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 2004";
- 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.

**COLUMBIANA FAMILY AND CHILDREN FIRST COUNCIL
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005 AND 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (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 service gaps where possible, or invents new approaches to achieve better results for families and children;
- d. Participate in the development of a county wide, 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.

The Council's management believes these financial statements present all activities for which the Council is financially accountable.

B. Accounting Basis

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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

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:

1. General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund.

**COLUMBIANA FAMILY AND CHILDREN FIRST COUNCIL
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005 AND 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. Special Revenue Funds

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

Family Stability Grant - This fund receives monies from the Ohio Department of Mental Health for reducing the number of children removed from their homes.

Ohio Wellness Block Grant - This fund receives monies from the Ohio Department of Human Services for child abuse and neglect prevention.

Temporary Assistance for Needy Families - This fund receives monies from the Columbiana County Department of Health and Human Services for assistance to families in becoming self-sufficient.

D. Fiscal Agent

The Council designates fiscal agents for all funds received in the name of the Council. The Columbiana County Department of Mental Health and Recovery Services Board serves as the fiscal agent for the Council. The Columbiana County Auditor is the designated fiscal officer for the Department of Mental Health and Recovery Services Board.

E. Budgetary Process

The Ohio Revised Code requires the Council to file an annual budget with its administrative agent, with copies filed with the county auditor and with the board of county commissioners, unless the board is serving as the Council's administrative agent. The Council's administrative agent is to ensure that all expenditures are handled in accordance with policies, procedures, and activities prescribed by state departments in rules or interagency agreements that are applicable to the Council's functions.

A summary of 2005 and 2004 budgetary activity appears in Note 3.

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.

G. 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.

2. EQUITY IN POOLED CASH

The Family and Children First Council funds are maintained by the Fiscal Agent through Columbiana County depositories. The Ohio Revised Code prescribes allowable deposits. The Council's carrying amount of cash on deposit with the Fiscal Agent at June 30, 2005 was \$102,293 and June 30, 2004 was \$94,557. Columbiana County requires the financial institutions to maintain adequate collateral for all funds, including the Family and Children First Council funds.

**COLUMBIANA FAMILY AND CHILDREN FIRST COUNCIL
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005 AND 2004
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending June 30, 2005 and 2004 follows:

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$56,800	\$71,198	\$14,398
Special Revenue	593,656	602,079	8,423
Total	\$650,456	\$673,277	\$22,821

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$56,800	\$44,803	\$11,997
Special Revenue	588,983	620,738	(31,755)
Total	\$645,783	\$665,541	(\$19,758)

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$58,000	\$72,354	\$14,354
Special Revenue	658,680	565,264	(93,416)
Total	\$716,680	\$637,618	(\$79,062)

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$56,446	\$48,840	\$7,606
Special Revenue	621,622	725,525	(103,903)
Total	\$678,068	\$774,365	(\$96,297)

4. RETIREMENT SYSTEMS

The Council's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2005 and 2004, OPERS members contributed 8.5 percent of their gross salaries. The Council contributed an amount equaling 13.55 percent of gross salaries. The Council has paid all contributions required through June 30, 2005 and 2004.



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*

Columbiana Family and Children First Council
Columbiana County
P.O. Box 315
Columbiana, Ohio 44481

To the Family and Children First Council:

We have audited the financial statements of the Columbiana County Family and Children First Council, Columbiana County, (the Council) as of and for the years ended June 30, 2005 and 2004, and have issued our report thereon dated October 9, 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted a certain matter that we reported to the Council's management in a separate letter dated October 9, 2007.

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*.

Columbiana Family and Children First Council
Columbiana County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by Government Auditing Standards
Page 2

We intend this report solely for the information and use of the audit committee, management, Executive Board. 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

October 9, 2007



Mary Taylor, CPA
Auditor of State

**FAMILY AND CHILDREN FIRST COUNCIL
COLUMBIANA 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
JANUARY 15, 2008**