



Dave Yost • Auditor of State

**ALLEN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
ALLEN COUNTY**

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Dave Yost • Auditor of State

Allen County Family and Children First Council
Allen County
616 South Collett Street, Suite 203
Lima, Ohio 45801

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.

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Dave Yost
Auditor of State

August 4, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Allen County Family and Children First Council
Allen County
616 South Collett Street, Suite 203
Lima, Ohio 45801

To the Members of the Council:

We have audited the accompanying financial statements of the Allen County Family and Children First Council, Allen 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 2, 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 Governments 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 Allen County Family and Children First Council, Allen 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 2 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 August 4, 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

August 4, 2011

**ALLEN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
ALLEN 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>All Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$38,841	\$756,701	\$795,542
Dues	21,850		21,850
Miscellaneous	32,500	2,957	35,457
Total Cash Receipts	<u>93,191</u>	<u>759,658</u>	<u>852,849</u>
Cash Disbursements:			
Current Disbursements:			
Salaries & Benefits	82,808		82,808
Supplies	104		104
Intergovernmental Expenditures		639,489	639,489
Contracts - Services		91,150	91,150
Travel / Training	808		808
Other	6,036	8,878	14,914
Total Disbursements	<u>89,756</u>	<u>739,517</u>	<u>829,273</u>
Total Receipts Over Disbursements	<u>3,435</u>	<u>20,141</u>	<u>23,576</u>
Fund Cash Balances, January 1	<u>8,686</u>	<u>214,419</u>	<u>223,105</u>
Fund Cash Balances, December 31	<u>\$12,121</u>	<u>\$234,560</u>	<u>\$246,681</u>

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

**ALLEN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
ALLEN 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>All Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$39,474	\$537,758	\$577,232
Dues	15,415		15,415
Miscellaneous	34,319	6,460	40,779
Total Cash Receipts	<u>89,208</u>	<u>544,218</u>	<u>633,426</u>
Cash Disbursements:			
Current Disbursements:			
Salaries & Benefits	82,839		82,839
Intergovernmental Expenditures		364,279	364,279
Contracts - Services		115,283	115,283
Travel / Training	875		875
Other	4,000	8,811	12,811
Total Disbursements	<u>87,714</u>	<u>488,373</u>	<u>576,087</u>
Total Receipts Over Disbursements	<u>1,494</u>	<u>55,845</u>	<u>57,339</u>
Fund Cash Balances, January 1	<u>7,192</u>	<u>158,574</u>	<u>165,766</u>
Fund Cash Balances, December 31	<u><u>\$8,686</u></u>	<u><u>\$214,419</u></u>	<u><u>\$223,105</u></u>

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

**ALLEN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
ALLEN COUNTY**

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

1. DESCRIPTION OF THE ENTITY

Ohio Rev. Code Section 121.37 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. 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 represented on the Council or another county's council. Where possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership.
- b. 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;
- c. The health commissioner, or the commissioner's designee, of the general health district in the county;
- d. The director of the county department of jobs and family services;
- e. The executive director of the public children services agency;
- f. The superintendent of the county board of developmental disabilities;
- 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 the board of county commissioners 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 municipal corporation with the largest population in the county;
- j. The president 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 3301.32 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 "Individuals with Disabilities Education Act of 2004";
- n. A representative of a local non-profit entity that funds, advocates, or provides services to children and families.

Allen County's juvenile court judge senior in service or another judge of the juvenile court designated by the administrative judge shall serve as the judicial advisor to the Allen County Family and Children First Council.

**ALLEN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
ALLEN COUNTY**

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

1. DESCRIPTION OF THE ENTITY (Continued)

The purpose of the county council is to streamline and coordinate existing government services for families seeking services for their children. In seeking to fulfill its purpose, a county council shall provide for the following:

- a. Referrals to the cabinet council of those children for whom the council cannot provide adequate services;
- b. Development and implementation of a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;
- c. Participation 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 with Disabilities Education Act of 2004";
- d. Maintenance of an accountability system to monitor the county council's progress in achieving results for families and children;
- e. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

To assist in fulfilling the Council's statutory responsibilities, the following committees have been established:

- A. Intersystems Committee** - This committee was established to oversee the coordination of services and funding for multi-system families and children and to proactively create change in the service delivery system to better meet the needs of families within the community. Responsibilities also include identification of programs to be provided for home behavioral health service in Allen County, and to revise and disseminate information about the county service coordination plan and make recommendations to Council concerning services and strategies that benefit the community.
- B. Cross-Systems Training Committee** - This committee was merged from three committees planning separate events, to plan for cross-system training opportunities across the spectrum of services for families and youth. This group plans two Early Childhood Conferences each year – one in the spring and another in the fall, plus works on issues of importance and necessity for our member-agencies' personnel, like Ethics and Cultural Competency trainings that are mandated for maintaining licensure. The audience for these conferences includes social service providers, health care providers, educators, and community members who work with and serve families. Conference participants come from Allen and several surrounding counties.
- C. Prevention Services Committee** - This committee was established to select, implement, monitor and evaluate appropriate prevention programs for the Children's Trust Fund; to serve the primary stated focus of the grant, while supporting the community's wellness through the use of a variety of prevention and intervention programs; to recommend future programming based on the results of the evaluation.

**ALLEN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
ALLEN COUNTY**

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

1. DESCRIPTION OF THE ENTITY (Continued)

- D. Finance Committee** - This committee was established as the oversight of all fiscal concerns of Council. They have primary approval of grant proposals and the fiscal reports that Council submits to fund sources. This committee meets every other month to consider the progress toward expenditure of grants and local shared funds and to deal with any fiscal concerns that may arise.
- E. Steering Committee** - This committee was established to discuss issues that need to be brought to Council for consideration, and to set the agenda for each month's Council meeting. They also are often delegated to approve items that will need to be dealt with between Council meetings. This committee is comprised of the officers of Council plus two representatives of the mandated members, and two representatives of the community members. Officers serve one-year terms with the option to serve a second term. Mandated and Community representatives serve two-year terms in rotation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Basis

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. The Council recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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.

B. Deposits and Investments

As required by the Ohio Revised Code, the Allen County Treasurer is custodian for the Council's deposits. The County's deposit and investment pool holds the Council's assets, valued at the Treasurer's reported carrying amount.

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

During 2010 and 2009, the Council received funding from an Administration Grant, earnings from trainings and fundraising events, and dues from member agencies.

**ALLEN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
ALLEN COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During both years, five percent of the Children's Trust Fund revenue was utilized for administration. Also, for both years, Council received funds from Help Me Grow to reimburse for services of the Council staff. During 2010 and 2009, funds were also received for the service coordination of Intersystems through an agreement for Cost-Shared Funds from three member agencies using their locally raised funds. The Council began reimbursing the general fund for time spent on two annual conferences facilitated by the Council with receipts from conference registrations held in our Special Funds.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. During 2010 and 2009, the Council received grants from the Department of Health which included funding from Federal Part C, Federal Part C ARRA and the Ohio General Fund for Help Me Grow programs. A grant was also received from Children's Trust Fund to provide prevention programming for child abuse and neglect. The Intersystems account receives and dispenses local money for multi-system children and families who need more supportive services to prevent their children from going into out-of-home placement.

D. Fiscal Agent/Administrative Agent

The Allen County Commissioners were designated by Council to serve as the administrative agent as of January 1, 1997. The Allen County Auditor acts as fiscal agent for the Council and the County Treasurer maintains a cash and investment pool used by all county funds. Council funds are maintained in separate agency funds by the County.

E. Grant Sub-recipients

Council requests proposals and selects a program administrator for the administration of the Help Me Grow program under guidance from the Ohio Department of Health. The chosen administrative entity (Board of DD) utilized funds from three sources: Federal Part C, Federal Part C ARRA, and the Ohio General Fund. All three sources of HMG funds are routed to the FCFC for payment of bills from the Board of DD for HMG services. Children's Trust Funds come to Council which request proposals for programs to prevent child abuse and neglect. The Prevention Services committee selects the programs which will be funded based on guidance from Ohio Children's Trust Fund, and then monitors the programs. These two programs administered by the Council are presented as intergovernmental receipts and disbursement on the Council's financial statements.

F. Budgetary Process

A Family and Children First Council established under ORC Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. However, the Council by-laws require that each fund be budgeted annually.

A summary of 2010 and 2009 budgetary activity appears in Note 3.

G. Accumulated Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Council.

**ALLEN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
ALLEN COUNTY**

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 80,304	\$ 93,191	\$12,887
Special Revenue	843,693	759,658	(84,035)
Total	<u>\$923,997</u>	<u>\$852,849</u>	<u>(\$71,148)</u>

2010 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 91,315	\$ 89,756	\$ 1,559
Special Revenue	902,551	739,517	163,034
Total	<u>\$993,866</u>	<u>\$829,273</u>	<u>\$164,593</u>

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 83,767	\$ 89,208	\$ 5,441
Special Revenue	379,392	544,218	164,826
Total	<u>\$463,159</u>	<u>\$633,426</u>	<u>\$170,267</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 89,518	\$ 87,714	\$ 1,804
Special Revenue	606,500	488,373	118,127
Total	<u>\$696,018</u>	<u>\$576,087</u>	<u>\$119,931</u>

4. EQUITY IN POOLED CASH

The fiscal agent maintains separate funds for the Family and Children First Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash with the county treasury as of December 31, 2010 and 2009 was \$246,681 and \$223,105, respectively. Allen County as fiscal agent for the Council is responsible for maintaining adequate depository collateral for all funds.

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, Allen County, provided insurance for the assets of the Council.

**ALLEN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
ALLEN COUNTY**

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

6. 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% of their gross salaries and the Council contributed an amount equaling 14% of participants' gross salaries. The Council has paid all contributions required through December 31, 2010.

7. 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 is 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.



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

Allen County Family and Children First Council
Allen County
616 South Collett Street, Suite 203
Lima, Ohio 45801

To the Members of the Council:

We have audited the financial statements of the Allen County Family and Children First Council, Allen County (the Council) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated August 4, 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 and the Members of the Council and others within the 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

August 4, 2011



Dave Yost • Auditor of State

ALLEN COUNTY FAMILY AND CHILDREN FIRST COUNCIL

ALLEN 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
SEPTEMBER 20, 2011**