



**FAMILY & CHILDREN FIRST COUNCIL
ASHTABULA COUNTY**

REGULAR AUDIT

YEARS ENDED DECEMBER 31, 2010 & 2009



Dave Yost • Auditor of State

Ashtabula County Family and Children First Council
529 West Prospect, Suite 100
Ashtabula, Ohio 44004

We have reviewed the *Independent Accountants' Report* of the Ashtabula County Family and Children First Council, Ashtabula County, prepared by Canter & Associates, for the audit period January 1, 2009 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ashtabula County Family and Children First Council is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

July 12, 2011

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**FAMILY & CHILDREN FIRST COUNCIL
ASHTABULA COUNTY**

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20 E. McKinley Way, Suite 4
Poland, Ohio 44514
Ph: 330.707.9035
Fax: 888.516.1186

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INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council
Ashtabula County
529 West Prospect Suite 100
Ashtabula, Ohio 44004

To Members of the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Ashtabula 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 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 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 Family & Children First Council, Ashtabula 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 May 25, 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.



Canter & Associates

May 25, 2011

**FAMILY AND CHILDREN FIRST COUNCIL
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Private Purpose Trust</u>	
Cash Receipts:				
Local Government Agencies	\$1,920			\$1,920
Intergovernmental		430,178		430,178
Total Cash Receipts	<u>1,920</u>	<u>430,178</u>	<u>0</u>	<u>432,098</u>
Cash Disbursements:				
Salaries and Benefits	40,566			40,566
Supplies	1,707			1,707
Contracts - Services	0	386,251	4,259	390,510
Utilities and rentals	2,115			2,115
Total Disbursements	<u>44,388</u>	<u>386,251</u>	<u>4,259</u>	<u>434,898</u>
Total Receipts Over/(Under) Disbursements Excess of Cash Receipts and Other Financing	<u>(42,468)</u>	<u>43,927</u>	<u>(4,259)</u>	<u>(2,800)</u>
Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(42,468)	43,927	(4,259)	(2,800)
Fund Cash Balances, January 1	<u>119,843</u>	<u>131</u>	<u>26,133</u>	<u>146,107</u>
Fund Cash Balances, December 31	<u>\$77,375</u>	<u>\$44,058</u>	<u>\$21,874</u>	<u>\$143,307</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Private Purpose Trust</u>	
Cash Receipts:				
Local Government Agencies	\$3,090			\$3,090
Intergovernmental		615,377		615,377
Other Receipts			\$3,545	3,545
Total Cash Receipts	<u>3,090</u>	<u>615,377</u>	<u>3,545</u>	<u>622,012</u>
Cash Disbursements:				
Salaries and Benefits	58,895			58,895
Supplies	2,511			2,511
Contracts - Services	13,979	727,562	2,944	744,485
Travel and Training	139			139
Utilities and rentals	2,412			2,412
Total Disbursements	<u>77,936</u>	<u>727,562</u>	<u>2,944</u>	<u>808,442</u>
Total Receipts Over/(Under) Disbursements	<u>(74,846)</u>	<u>(112,185)</u>	<u>601</u>	<u>(186,430)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(74,846)	(112,185)	601	(186,430)
Fund Cash Balances, January 1	194,689	112,316	25,532	332,537
Fund Cash Balances, December 31	<u>\$119,843</u>	<u>\$131</u>	<u>\$26,133</u>	<u>\$146,107</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
ASHTABULA COUNTY**

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

1. 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 municipal corporation with the largest population 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 1986";
- n. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

**FAMILY AND CHILDREN FIRST COUNCIL
ASHTABULA COUNTY**

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

1. DESCRIPTION OF THE ENTITY (Continued)

- o. 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.

The councils' 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.

Finance Committee

The finance committee consists of a minimum of four and maximum of seven members approved by the Council having a financial knowledge beneficial to the committee. It shall review matters related to the financial well being of the Council and provide a link between the Council and management in implementation and review of the financial procedures. Areas of jurisdiction include budgets, review of receipts and expenditures, audits, and service fees.

Executive Committee

The executive committee provides guidance and direction to the Council; acts on behalf of the council in between Council meetings with Council reviewing such actions.

**FAMILY AND CHILDREN FIRST COUNCIL
ASHTABULA COUNTY**

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

1. DESCRIPTION OF THE ENTITY (Continued)

Early Childhood Coordinating Committee (ECCC)

The ECCC assists the FCFC by assuring the implementation of all Help Me Grow Components. It focuses on the coordination of service delivery for children, birth to five years of age.

Program Committee

The program committee consists of a minimum of six and maximum of twelve members approved by the Council. It shall review programs and services directly affecting Ashtabula County consumers. The committee develops annual service plans, identifies the need for ad-hoc committees and recommends grant applications and funding needs.

Personnel Committee

The personnel committee consists of a minimum of four and maximum of seven members approved by the Council. It shall review matters related to Council staff support, staff selection, performance appraisals and job descriptions.

Cluster Committee

The cluster committee consists of directors of agencies serving on cluster through legislation, to a maximum of six members. Voting on funding issues is limited to those agencies having such funding responsibility. The committee shall review matters related to cluster activities and clients served through the cluster process; policies and procedures; funding; legislation; and the service coordination plan.

Public Information Committee

The public information committee consists of a minimum of five and maximum of twelve members approved by the Council. It shall provide cross training activities through planning, presentations, evaluations, survey for particular needs assessments; coordination of public news releases; and recommendations of pertinent activities to the Council.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 a payment is made rather than when a liability is incurred. Budgetary presentations report expenditures when commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**FAMILY AND CHILDREN FIRST COUNCIL
ASHTABULA COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. 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 Council classifies its funds into the following types:

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 by law or contract to be restricted.

Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The grants and other revenues included in the Special Revenue Funds are the Help Me Grow, Ohio Children's Trust Fund, and Family-Centered Services and Support.

Fiduciary Fund – (Trust Fund)

This fund accounts for resources restricted by a legally binding trust agreement. The Council has one Private-Purpose Trust Fund – Miller Trust - that is to be used at the discretion of Council.

C. Budgetary Process

The Family and Children First Council is required to adopt a budget as per Ohio Revised Code Section 121.37(B)(5)(a).

D. Administrative Agent

The Council designates an administrative agents for all funds received in the name of the Council. During the audit period, the designated Administrative agents were as follows:

<u>Administrative Agent</u>	<u>Funding</u>
Ashtabula County Children Service Board	State Administration Grant Ohio Children Trust Fund Family Stability Incentive Help Me Grow Grant Pooled Funds

The Ashtabula County Auditor is the designated fiscal agent for the Ashtabula County Children Services Board.

**FAMILY AND CHILDREN FIRST COUNCIL
ASHTABULA COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid and are not reflected as assets on the accompanying financial statement.

F. Unpaid Vacation and Sick 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.

3. EQUITY IN POOLED CASH

The Ashtabula County Treasurer maintains a cash pool used by all of the county's funds, including those of the Family and Children First Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the County at December 31, 2010, was \$143,307 and at December 31, 2009; \$146,107. The Ashtabula County Treasurer is responsible for maintaining adequate depository collateral for all funds in Ashtabula County's pooled and deposit accounts.

4. BUDGETARY ACTIVITY

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

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General Fund	\$2,000	\$1,920	(\$80)
Special Revenue Funds	518,611	430,178	(88,433)
Total	\$520,611	\$432,098	(\$88,513)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General Fund	\$83,510	\$44,388	\$39,122
Special Revenue Funds	437,101	386,251	50,850
Total	\$520,611	\$430,639	\$89,972

**FAMILY AND CHILDREN FIRST COUNCIL
ASHTABULA COUNTY**

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

4. BUDGETARY ACTIVITY (Continued)

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General Fund	\$2,000	\$3,090	\$1,090
Special Revenue Funds	775,669	615,377	(160,292)
Total	\$777,669	\$618,467	(\$159,202)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General Fund	\$80,140	\$77,936	\$2,204
Special Revenue Funds	870,865	727,562	143,303
Total	\$951,005	\$805,498	\$145,507

5. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10.0 percent of their gross salaries. The Council contributed an amount equal to 14.00 of participants' gross salaries. The Council has paid all contributions required through December 31, 2010 and 2009.

6. RISK MANAGEMENT

Commercial Insurance

The Family & Children First Council has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.



20 E. McKinley Way, Suite 4
Poland, Ohio 44514
Ph: 330.707.9035
Fax: 888.516.1186

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Family and Children First Council
Ashtabula County
529 West Prospect Suite 100
Ashtabula, Ohio 44004

To Members of the Council:

We have audited the financial statements of the Family and Children First Council (the Council), Ashtabula County, as of and for the years ended December 31, 2010 and 2009 and have issued our report thereon dated May 25, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we do not express an opinion 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 obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the Council in a separate letter dated May 25, 2011.

This report is intended solely for the information and use of the Management, and Members of Council and is not intended to be and should not be used by anyone other than these specified parties.



Canter & Associates

Poland, Ohio

May 25, 2011



Dave Yost • Auditor of State

ASHTABULA FAMILY AND CHILDREN FIRST COUNCIL

ASHTABULA 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
JULY 26, 2011**