



**DELAWARE FAMILY AND CHILDREN FIRST COUNCIL
DELAWARE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2010-2009



Dave Yost • Auditor of State

**DELAWARE FAMILY AND CHILDREN FIRST COUNCIL
DELAWARE COUNTY**

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Dave Yost • Auditor of State

Delaware Family and Children First Council
Delaware County
7991 Columbus Pike
Lewis Center, Ohio 43035

To the Members of the Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Council to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Robert R. Hinkle".

Robert R. Hinkle, CPA
Chief Deputy Auditor

June 29, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Delaware Family and Children First Council
Delaware County
7991 Columbus Pike
Lewis Center, Ohio 43035

To the Members of the Council:

We have audited the accompanying financial statements of the Delaware Family and Children First Council, Delaware County, Ohio, (the Council) as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Council has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present GAAP require presenting entity wide statements and also presenting the Council's larger (i.e. major) funds separately. While the Council does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the GAAP presentation requirements. The Auditor of State permits, but does not require Councils to reformat their statements. The Council has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Delaware Family and Children First Council, Delaware County, Ohio, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Council has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 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.



Robert R. Hinkle, CPA
Chief Deputy Auditor

June 29, 2011

**DELAWARE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
DELAWARE 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Receipts:			
Intergovernmental	\$ 29,028	\$ 533,631	\$ 562,659
Total Receipts	<u>29,028</u>	<u>533,631</u>	<u>562,659</u>
Disbursements:			
Services and Charges	<u>32,510</u>	<u>704,946</u>	<u>737,456</u>
Total Disbursements	<u>32,510</u>	<u>704,946</u>	<u>737,456</u>
Total Receipts (Under) Disbursements	<u>(3,482)</u>	<u>(171,315)</u>	<u>(174,797)</u>
Fund Cash Balances, January 1	23,236	298,308	321,544
Fund Cash Balances, December 31	<u>\$ 19,754</u>	<u>\$ 126,993</u>	<u>\$ 146,747</u>
Reserve for Encumbrances, December 31	<u>\$ 10,821</u>	<u>\$ 46,318</u>	<u>\$ 57,139</u>

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

**DELAWARE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
DELAWARE 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Receipts:			
Intergovernmental	\$ 24,576	\$ 732,095	\$ 756,671
Total Receipts	<u>24,576</u>	<u>732,095</u>	<u>756,671</u>
Disbursements:			
Services and Charges	36,167	525,962	562,129
Materials and Supplies	1,567	-	1,567
Total Disbursements	<u>37,734</u>	<u>525,962</u>	<u>563,696</u>
Total Receipts Over/(Under) Disbursements	(13,158)	206,133	192,975
Fund Cash Balances, January 1 (Restated--See Note 4)	<u>36,394</u>	<u>92,175</u>	<u>128,569</u>
Fund Cash Balances, December 31	<u>\$ 23,236</u>	<u>\$ 298,308</u>	<u>\$ 321,544</u>
Reserve for Encumbrances, December 31	<u>\$ -</u>	<u>\$ 222,899</u>	<u>\$ 222,899</u>

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

**DELAWARE FAMILY AND CHILDREN FIRST COUNCIL
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

- a. At least three individuals whose families are or have received services from an agency which is represented on the council. If possible, twenty per cent of the council's membership should consist of members representing families.
- b. The director of the community mental health board.
- c. The director of the county ADAMH board. For counties served by a joint ADAMH board, the joint board's director must designate a member to participate on the county's council.
- d. A representative from the general health district in the county. If there are more than two health districts, then the membership is limited to the commissioners of the two districts with the largest populations.
- e. The director of the county department of job and family services.
- f. The executive director of county children's services board.
- g. The superintendent for the county board of Developmental Disabilities.
- h. The superintendent of the city, exempted village, or local school district within the territory in the county, as designated at a biennial meeting of the superintendents of those districts.
- i. The school superintendent representing all other school districts within the territory in the county, as designated at a biennial meeting of the superintendents of those districts.
- j. A representative of the municipal corporation with the largest population in the county.
- k. The president of the board of county commissioners or a designee.
- l. A representative from the regional office of the Ohio Department of Youth Services.
- m. A representative of the county's head start agencies.
- n. A representative of the county's early intervention collaborative.
- o. A representative of the local nonprofit entity that funds, advocates, or provide services to children and families.

**DELAWARE FAMILY AND CHILDREN FIRST COUNCIL
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

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

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. 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. Maintain an accountability system to monitor the council's progress in achieving its purposes;
- e. Establish a mechanism to ensure ongoing input from a board representation of families who are receiving services within the county system;
- f. Participate in the development of a county wide, comprehensive, coordinated, multidisciplinary 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".

B. 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.

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

**DELAWARE FAMILY AND CHILDREN FIRST COUNCIL
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

2. Special Revenue Funds

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

Help Me Grow TANF – This fund is used to account for receipts and expenditures for TANF eligible Help Me Grow services.

Help Me Grow – This fund is used to account for receipts and expenditures for Help Me Grow services. These funds are State General Fund and Help Me Grow services.

D. Administrative and Fiscal Agent

The Council is required by law to designate an administrative agent from among a list of local governmental agencies provided in the Ohio Revised Code. For the years ending December 31, 2010 and 2009, the Delaware County Job and Family Services served as the administrative agent.

Delaware County serves as fiscal agent for the Council. Council funds are deposited with the Delaware County Treasurer and are accounted for in separate funds and cost centers by the County.

E. Budgetary Process

Ohio Revised Code requires the Council to submit an expenditure budget annually to its administrative agent, the County Auditor, and the board of county commissioners. The Council adopted a budget at the object level.

A summary of 2010 and 2009 budgetary activity appears in Note 2.

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. The Council does not own any buildings or real property.

G. Equity In Pooled Cash

The Delaware County Treasurer maintains a cash pool used by all of the county's funds, including those of the 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 and 2009 was \$146,745, and \$321,544, respectively. The Delaware County Treasurer, as fiscal agent for the County and also the Council, is responsible for maintaining adequate depository collateral for all funds in the county's pooled and deposit accounts.

**DELAWARE FAMILY AND CHILDREN FIRST COUNCIL
DELAWARE COUNTY**

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

2. BUDGETARY PROCESS

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

2010 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$16,257	\$29,028	\$12,771
Special Revenue	530,239	533,631	3,392
Total	<u>\$546,496</u>	<u>\$562,659</u>	<u>\$16,163</u>

2010 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$44,725	\$43,331	\$1,394
Special Revenue	819,139	751,264	67,875
Total	<u>\$863,864</u>	<u>\$794,595</u>	<u>\$69,269</u>

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$35,681	\$24,576	(\$11,105)
Special Revenue	764,412	732,095	(32,317)
Total	<u>\$800,093</u>	<u>\$756,671</u>	<u>(\$43,422)</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$40,797	\$37,734	\$3,063
Special Revenue	832,743	748,861	83,882
Total	<u>\$873,540</u>	<u>\$786,595</u>	<u>\$86,945</u>

**DELAWARE FAMILY AND CHILDREN FIRST COUNCIL
DELAWARE COUNTY**

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

3. RISK MANAGEMENT

Insurance for comprehensive property and general liability is provided by Delaware County, fiscal agent.

4. RESTATED FUND BALANCE

Fund balances at January 1, 2009 have been restated in the General Fund and Special Revenue Funds to reflect a special revenue fund with a negative fund balance that was dissolved by the County in 2007.

	General Fund	Special Revenue Funds
December 31, 2008 Fund Balance	\$43,706	\$84,863
Reclassification of Negative Fund Balance	(7,312)	7,312
January 1, 2009 Restated Fund Balance	\$36,394	\$92,175

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INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Delaware Family and Children First Council
Delaware County
7991 Columbus Pike
Lewis Center, Ohio 43035

To the Members of the Council:

We have audited the financial statements of the Delaware Family and Children First Council, Delaware County, Ohio (the Council) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 29, 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*.

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Delaware Family and Children First Council
Delaware County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
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We did note certain matters not requiring inclusion in this report that we reported to the Council's management in a separate letter dated June 29, 2011.

We intend this report solely for the information and use of the management, the audit committee, members of the Delaware Family and Children First 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 "Robert R. Hinkle". The signature is written in a cursive style with a large initial 'R'.

Robert R. Hinkle, CPA
Chief Deputy Auditor

June 29, 2011

**DELAWARE FAMILY AND CHILDREN FIRST COUNCIL
DELAWARE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Significant Deficiency and Material Weakness for sound financial reporting.	No	Partially corrected. Comment was reissued in the Management Letter.

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DELAWARE COUNTY FAMILY AND CHILDREN FIRST COUNCIL

DELAWARE 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 21, 2011**