

**WAYNE COUNTY FAMILY AND  
CHILDREN FIRST COUNCIL**

**WAYNE COUNTY**

**REGULAR AUDIT**

**JULY 1, 2010 – JUNE 30, 2011**







# Dave Yost • Auditor of State

Members of the Board  
Wayne County Family and Children First Council  
1985 Eagle Pass  
Wooster, Ohio 44691

We have reviewed the *Independent Auditor's Report* of the Wayne County Family and Children First Council, Wayne County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2010 through June 30, 2011. 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 Auditor's 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 Auditor's 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 Wayne 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

December 28, 2011

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**WAYNE COUNTY FAMILY AND  
CHILDREN FIRST COUNCIL  
WAYNE COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Wayne County Family and  
Children First Council  
Wayne County  
1985 Eagle Pass  
Wooster, Ohio 44691

To the Members of the Board:

We have audited the accompanying financial statement of the Wayne County Family and Children First Council, Wayne County, (the Council) as of and for the fiscal year ended June 30, 2011. This financial statement is the responsibility of the Council's management. Our responsibility is to express an opinion on this financial statement 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 this financial statement 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 statement referred to above for the fiscal year ended June 30, 2011 does 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, 2011 or its changes in financial position for the fiscal year then ended.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
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Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the fund cash balances and reserves for encumbrances of the Wayne County Family and Children First Council, Wayne County, as of June 30, 2011, and its cash receipts and disbursements for the fiscal year then ended on the accounting basis Note 1 describes.

As described in Note 5, for the fiscal year ended June 30, 2011, the Council changed its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* to the accounting practices the Auditor of State prescribes or permits.

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 statement.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 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.

Wilson, Shannon & Snow, Inc.

November 10, 2011



**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
WAYNE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental Receipts	\$ 865,205	\$ 38,632	\$ 903,837
Miscellaneous	31,680	-	31,680
<b>Total Cash Receipts</b>	<u>896,885</u>	<u>38,632</u>	<u>935,517</u>
<b>Cash Disbursements:</b>			
Current:			
Contractual Services	827,040	27,654	854,694
<b>Total Cash Disbursements</b>	<u>827,040</u>	<u>27,654</u>	<u>854,694</u>
Total Cash Receipts Over Cash Disbursements	69,845	10,978	80,823
Fund Cash Balances, July 1	922,971	38,175	961,146
<b>Fund Cash Balances, June 30</b>	<u><u>\$ 992,816</u></u>	<u><u>\$ 49,153</u></u>	<u><u>\$ 1,041,969</u></u>
<b>Reserve for Encumbrances, June 30</b>	<u><u>\$ 189,819</u></u>	<u><u>\$ 15,452</u></u>	<u><u>\$ 205,271</u></u>

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

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
JUNE 30, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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

- a. The director of the board of alcohol, drug addiction, and mental health services that services the county, or, in the case of a county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards;
- b. The health commissioner of the board of health of each city or general health district in the county, or their designees;
- c. The director of the county department of human services;
- d. The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the 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 district 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 1986"; and
- 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.

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
JUNE 30, 2011  
(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 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 services gaps where possible, or invents new approaches to achieve better results for families and children;
- d. Participate in the development of a countywide, comprehensive, coordinated, multi disciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the department of health for every 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 purpose; and
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving service within the county system.

The Council's management believes this financial statement presents all activities for which the Board is financially accountable.

**B. Basis of Accounting**

The financial statement follows the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Board 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).

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
JUNE 30, 2011  
(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Cash**

As required by the Ohio Revised Code, the Wayne County Treasurer is custodian for the Council's cash. The County's cash and investment pool holds the Council's cash, valued at the County Treasurer's carrying amount.

**D. Fund Accounting**

The Council uses fund accounting to segregate cash that is restricted as to use. The Council classifies its fund into the following types:

**1. General Fund**

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

**2. Special Revenue Fund**

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 Fund:

**Children's Trust Fund:** This fund was established pursuant to Ohio Revised Code Section 3109.18 to account for all receipts and disbursements. The Council has been designated the advisory board for this fund and responsible for all money recorded.

**E. Budgetary Process**

The Ohio Revised Code requires that its fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, cash disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
JUNE 30, 2011  
(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**3. Encumbrances**

The Ohio Revised Code requires the Council to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of the 2011 budgetary activity appears in Note 2.

**F. Property, Plant, and Equipment**

The Council records cash disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**G. Intergovernmental Revenues**

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Council's cash basis method of accounting.

**2. BUDGETARY ACTIVITY**

Budgetary activity for the fiscal year ending 2011 follows:

**2011 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$839,591	\$896,885	\$57,294
Special Revenue	36,164	38,632	2,468
Total	<u>\$875,755</u>	<u>\$935,517</u>	<u>\$59,762</u>

**2011 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$1,761,311	\$1,016,859	\$744,452
Special Revenue	74,664	43,106	31,558
Total	<u>\$1,835,975</u>	<u>\$1,059,965</u>	<u>\$776,010</u>

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
JUNE 30, 2011  
(CONTINUED)**

**3. RISK MANAGEMENT**

**Commercial Insurance**

The Council has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Inland Marine; and
- Errors and omissions.

**4. CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**5. CHANGE IN BASIS OF ACCOUNTING**

For the fiscal year ended June 30, 2011, the Council changed its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* to the accounting practices the Auditor of State prescribes or permits. This change did not result in a restatement of the fund balances.



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

Wayne County Family and Children First Council  
Wayne County  
1985 Eagle Pass  
Wooster, Ohio 44691

To the Members of the Council:

We have audited the financial statement of the Wayne County Family and Children First Council, Wayne County, Ohio (the Council) as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated November 10, 2011, wherein we noted the Council changed its financial presentation and prepared its financial statements using accounting practices the Auditor of State prescribes or permits 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 statement, 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 statement 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.

*Wilson, Shannon & Snow, Inc.*

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Ten West Locust Street  
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(740) 345-6611  
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### **Compliance and Other Matters**

As part of reasonably assuring whether the Council's financial statement is 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, the Council, and others within the Board. We intend it for no one other than these specified parties.

*Wilson, Shuman & Snow, Inc.*

November 10, 2011





# Dave Yost • Auditor of State

WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL

WAYNE 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 10, 2012