



**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2008-2007



Mary Taylor, CPA
Auditor of State

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

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Mary Taylor, CPA
Auditor of State

Tuscarawas County Family and Children First Council
Tuscarawas County
P.O. Box 1017
New Philadelphia, Ohio 44663

To the Executive Committee:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 23, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Tuscarawas County Family and Children First Council
Tuscarawas County
P.O. Box 1017
New Philadelphia, Ohio 44663

To the Executive Committee:

We have audited the accompanying financial statements of Tuscarawas County Family and Children First Council, Tuscarawas County, Ohio, (the Council) as of and for the years ended December 31, 2008 and 2007. 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 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 the Family and Children First Council 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, 2008 and 2007 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, 2008 and 2007, 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 Tuscarawas County Family and Children First Council, Tuscarawas County, Ohio, as of December 31, 2008 and 2007, 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 March 23, 2009, 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 "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

March 23, 2009

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>All Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$12,574	\$74,815	\$87,389
Administrative	1,900		1,900
Other	247		247
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	14,721	74,815	89,536
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
Salaries	25,442	1,456	26,898
Employee Fringe Benefits	4,898		4,898
Contract Services	1,799	32,666	34,465
Treatment Services		7,566	7,566
Material & Supplies	705	106	811
Advertising and Printing	908		908
Travel Reimbursements	1,495	1,106	2,601
Capital Outlay	53	1,381	1,434
Other	680		680
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	35,980	44,281	80,261
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(21,259)	30,534	9,275
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	54,006	18,034	72,040
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Fund Cash Balances, December 31	\$32,747	\$48,568	\$81,315
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The notes to the financial statements are an integral part of this statement.

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>All Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$27,500	\$34,815	\$62,315
Administrative	2,100		2,100
Other	37		37
	<u>29,637</u>	<u>34,815</u>	<u>64,452</u>
Total Cash Receipts	29,637	34,815	64,452
Cash Disbursements:			
Current:			
Salaries	25,426	1,456	26,882
Employee Fringe Benefits	4,844		4,844
Contract Services	4,054	27,678	31,732
Grants	7,500		7,500
Material & Supplies	1,085		1,085
Advertising and Printing	4,085		4,085
Travel Reimbursements	729		729
Capital Outlay	1,929		1,929
Other	1,143		1,143
	<u>50,795</u>	<u>29,134</u>	<u>79,929</u>
Total Cash Disbursements	50,795	29,134	79,929
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(21,158)</u>	<u>5,681</u>	<u>(15,477)</u>
Fund Cash Balances, January 1	<u>75,164</u>	<u>12,353</u>	<u>87,517</u>
Fund Cash Balances, December 31	<u>\$54,006</u>	<u>\$18,034</u>	<u>\$72,040</u>

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

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

1. Summary of Significant Accounting Policies

A. Description of the Entity

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

1. 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;
2. The health commissioner of the board of health of each city or general health district in the county, or their designees;
3. The director of the county department of job and family services;
4. The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code;
5. The superintendent of the county board of mental retardation and developmental disabilities;
6. The county's juvenile court judge senior in service;
7. 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;
8. 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;
9. A representative of the largest city in the county;
10. The chair of the board of county commissioners, or an individual designated by the board;
11. A representative of the regional office of the department of youth services;
12. A representative of the county's head start agencies, as defined in section 3301.31 of the Revised Code;
13. 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";
14. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families; and

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

15. 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. In addition, 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:

1. Refer to the cabinet council those children for whom the council cannot provide adequate services;
2. 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;
3. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invests new approaches to achieve better results for families and children;
4. 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 early intervention services under the "Education of the Handicapped Act Amendments of 1986";
5. Maintain an accountability system to monitor the council's progress in achieving its purposes; and
6. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

The Tuscarawas County Job and Family Services serves as administrative agent for the Tuscarawas County Family and Children First Council (Council) and the Tuscarawas County Auditor serves as fiscal agent for the Council.

As of December 31, 2008, twenty nine agencies are members of the Tuscarawas County Family and Children First Council of which they appoint an individual to attend the Council meetings. Only the agencies that regularly attend the meetings are voting members. Agency members who miss three consecutive meetings lose their voting privileges. Privileges are reinstated after that agency member attends three consecutive meeting.

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

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Deposits and Investments

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

D. 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.

2. Special Revenue Funds

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

Creative Options Fund – This fund receives grant monies to help support children with non-behavioral health needs.

OCTF Local Advisory Board Fund – This fund receives grant monies to partially fund positive parenting programs.

Partnership for Success Fund – This fund receives grant monies to respond effectively to child and adolescent problem behaviors while promoting positive youth development.

E. Budgetary Process

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

A summary of 2008 and 2007 budgetary activity appears in Note 2.

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant, and Equipment

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

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. Budgetary Activity

Budgetary activity for the years ending December 31, 2008 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$36,030	\$14,721	(\$21,309)
Special Revenue	29,134	74,815	45,681
Total	\$65,164	\$89,536	\$24,372

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$36,030	\$35,980	\$50
Special Revenue	38,987	44,281	(5,294)
Total	\$75,017	\$80,261	(\$5,244)

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$49,372	\$29,637	(\$19,735)
Special Revenue	29,134	34,815	5,681
Total	\$78,506	\$64,452	(\$14,054)

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$49,372	\$50,795	(\$1,423)
Special Revenue	41,487	29,134	12,353
Total	\$90,859	\$79,929	\$10,930

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

3. Retirement System

<u>Retirement Rates</u>	<u>Year</u>	<u>Member Rate</u>	<u>Employer Rate</u>
<i>PERS – Local</i>	<i>2007</i>	<i>9.5%</i>	<i>13.85%</i>
<i>PERS – Local</i>	<i>2008</i>	<i>10%</i>	<i>14%</i>

The Council contributes to Ohio Public Employees Retirement System (OPERS) for the Council Coordinator. OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10 and 9.5%, respectively, of their gross salaries and the Council contributed an amount equaling 14 and 13.85%, respectively, of participants' gross salaries. The Council has paid all contributions required through December 31, 2008.

4. Risk Management

Commercial Insurance

The Council is insured through Tuscarawas County. Tuscarawas County has obtained commercial insurance for the following risks:

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

5. Contingent Liabilities

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

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Mary Taylor, CPA

Auditor of State

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

Tuscarawas County Family and Children First Council
Tuscarawas County
P.O. Box 1017
New Philadelphia, Ohio 44663

To the Executive Committee:

We have audited the financial statements of the Tuscarawas County Family and Children First Council, Tuscarawas County, Ohio, (the Council) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated March 23, 2009, 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 expressing our opinion on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Council's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Council's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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 the management and the Executive Committee. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

March 23, 2009



Mary Taylor, CPA
Auditor of State

TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL

TUSCARAWAS 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
JUNE 2, 2009**