



Dave Yost • Auditor of State



**FAMILY AND CHILDREN FIRST COUNCIL  
PIKE COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council  
Pike County  
330 E. North Street  
Waverly, Ohio 45690

To the Members of the Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Family and Children First Council, Pike County, Ohio (the Council), as of and for the years ended December 31, 2010 and 2009, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express opinions 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 opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Family and Children First Council, Pike County, Ohio, as of December 31, 2010 and 2009, and the respective changes in cash financial position for the years then ended in conformity with the basis of accounting Note 2 describes.

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

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

September 29, 2011

**Pike County Family and Children First Council  
Management's Discussion and Analysis  
For the Years Ended December 31, 2010 and 2009  
Unaudited**

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The discussion and analysis of the Pike County Family and Children First Council's (the Council) financial performance provides an overview of the Council's financial activities for the year ended December 31, 2010 and 2009, within the limitations of the Council's cash basis of accounting. Please read this in conjunction with the Council's financial statements that begin on page 7 and notes to the basic financial statements which begin on page 15.

**Financial Highlights**

Key financial highlights for 2010 are as follows:

- Net assets decreased \$52,451.
- The Council receipts for 2010 were \$254,007 plus a carry-over cash balance from 2009 of \$237,684. Cash disbursements for the same period were \$306,458. The ending net assets were \$185,233.

Key financial highlights for 2009 are as follows:

- Net assets decreased \$41,016.
- The Council receipts for 2009 were \$346,435 plus a carry-over cash balance from 2008 of \$278,700. Cash disbursements for the same period were \$387,451. The ending net assets were \$237,684.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Council's cash basis of accounting.

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Council as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on the cash basis of accounting.

The statement of net assets – cash basis and statement of activities – cash basis provide information about the activities of the whole Council, presenting an aggregate view of the Council's finances. Fund financial statements provide the next level of detail. These statements tell how services were financed in the short-term as well as what remains for future spending using the cash basis of accounting.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determines when financial events are recorded. The Council has elected to present its financial statements on the cash basis of accounting. This basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the Council's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Pike County Family and Children First Council  
Management's Discussion and Analysis  
For the Years Ended December 31, 2010 and 2009  
Unaudited**

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**Reporting the Council as a Whole**

Statement of Net Assets – Cash Basis and Statement of Activities – Cash Basis

While this document contains information used by the Council to provide programs and services for its service area, the view of the Council as a whole looks at all cash basis financial transactions and asks the question, “How did we do financially?” The statement of net assets – cash basis and the statement of activities – cash basis answer this question. These two statements report the Council’s net assets on a cash basis and changes in those assets. This change in net assets is important because it tells the reader that, for the Council as a whole, the cash basis financial position of the Council has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

In the statement of net assets-cash basis and the statement of activities-cash basis, all of the Council’s activities are considered to be Governmental Activities.

- Governmental Activities – The Council’s only programs and associated services are reported here.

**Reporting the Council’s Fund Financial Statements**

Fund Financial Statements

The analysis of the Council’s major funds begins on page 6. Fund financial statements provide detailed information about the Council. The Council’s activities are reported in the fund financial statements, which focus on how money flows and the balances left at year-end available for spending in future periods. These fund financial statements are reported on the cash basis of accounting. The fund financial statements provide a detailed short-term view of the Council’s mental health and dependency rehabilitation operations and the services they provide. Governmental information helps you determine whether there are more or fewer cash basis financial resources that can be spent in the near future to finance mental health and dependency rehabilitation programs. The fund financial statements also look at the Council’s most significant funds with all other non-major funds presented in total in one column. For the Council, the General Fund, the TANF – Help Me Grow Fund, the GRF – Help Me Grow Fund, the Family Centered Services Fund, and the ARRA-ODH Part C Stimulus Fund are all reported as major funds in 2010. The General Fund, the TANF – Help Me Grow Fund, the GRF – Help Me Grow Fund, and the Part C – Help Me Grow Fund are all reported as major funds in 2009.

**The Council as a Whole**

Recall that the statement of net assets-cash basis provides the perspective of the Council as a whole. Table 1 provides a summary of the Council’s net assets for 2010 as compared to 2009.

**Table 1  
Net Assets**

	<b>Governmental Activities</b>		
	2010	2009	2008
ASSETS:			
Equity in Pooled Cash	\$185,233	\$237,684	\$278,700
NET ASSETS:			
Restricted for Other	173,634	215,485	240,493
Unrestricted	11,599	22,199	38,207
Total net assets	\$185,233	\$237,684	\$278,700

Total assets and net assets decreased \$52,451 as cash disbursements exceeded cash receipts in 2010.



**Pike County Family and Children First Council  
Management's Discussion and Analysis  
For the Years Ended December 31, 2010 and 2009  
Unaudited**

Table 2 shows the changes in net assets for the fiscal years 2010, 2009 and 2008.

**Table 2  
Changes in Net Assets**

	<b>Governmental Activities</b>		
	2010	2009	2008
<b>CASH RECEIPTS:</b>			
Program Cash Receipts			
Operating Grants and Contributions	\$254,007	\$215,523	\$148,484
Charges for Services	0	130,912	167,399
Total Program Cash Receipts	<u>254,007</u>	<u>346,435</u>	<u>315,883</u>
General Receipts			
Miscellaneous	<u>0</u>	<u>0</u>	<u>79</u>
Total Cash Receipts	<u>254,007</u>	<u>346,435</u>	<u>315,962</u>
<b>CASH DISBURSEMENTS:</b>			
Family Assistance:			
Contracts-Services	296,412	284,897	252,771
Other	<u>10,046</u>	<u>102,554</u>	<u>13,498</u>
Total Cash Disbursements	<u>306,458</u>	<u>387,451</u>	<u>266,269</u>
<b>CHANGE IN NET ASSETS</b>	(52,451)	(41,016)	49,693
<b>NET ASSETS BEGINNING OF YEAR</b>	<u>237,684</u>	<u>278,700</u>	<u>229,007</u>
<b>NET ASSETS END OF YEAR</b>	<u><u>\$185,233</u></u>	<u><u>\$237,684</u></u>	<u><u>\$278,700</u></u>

The Council receives two types of revenue that provide for the majority of the programs provided by the Council. Operating grants and contributions provided for 100% of total cash receipts during 2010. The decrease to the charges for services is due to TANF-Help Me Grow program ending. In 2009, operating grants and contributions provided 62% while charges for services provided 38% of total revenues.

Net assets decreased by \$52,451 during 2010 primarily because of a decrease in cash receipts from charges for services, which was partially offset by a decrease in other disbursements.

Net assets decreased by \$41,016 during 2009 primarily because of an increase in cash disbursements and an increase in operating grants and contributions, which was partially offset by a decrease in charges for services. Cash disbursements increased due to an increase in contract services and other expenses within the TANF-Help Me Grow, GRF-Help Me Grow, and Part C-Help Me Grow programs. Cash disbursements increased as a direct result of an increase in funding for these programs.

**Pike County Family and Children First Council  
Management's Discussion and Analysis  
For the Years Ended December 31, 2010 and 2009  
Unaudited**

The statement of activities shows the cost of program services and the charges for services, operating grants and contributions offsetting those services. Table 3 shows the total cost of services and the net cost of services. In other words, they identify the cost of those services supported by other miscellaneous receipts.

**Table 3  
Governmental Activities**

	<b>Total Cost of Services - 2010</b>	<b>Net Cost of Services - 2010</b>	<b>Total Cost of Services - 2009</b>	<b>Net Cost of Services - 2009</b>	<b>Total Cost of Services - 2008</b>	<b>Net Cost of Services - 2008</b>
Family Assistance:						
Contracts - Services	\$296,412	\$52,390	\$284,897	\$17,924	\$252,771	(\$47,099)
Other	10,046	61	102,554	23,092	13,498	(2,515)
<b>Total Disbursements</b>	<b>\$306,458</b>	<b>\$52,451</b>	<b>\$387,451</b>	<b>\$41,016</b>	<b>\$266,269</b>	<b>(\$49,614)</b>

**The Council's Fund Financial Statements**

The Council's fund financial statements are accounted for using the cash basis of accounting. In 2010, the fund financial statements had total receipts of \$254,007 and disbursements of \$306,458. The financial statements had a decrease in the cash balance of \$52,451 from the 2009 year-end cash balance, mainly due to a decrease in cash receipts from the TANF – Help Me Grow Fund. In 2009, the fund financial statements had total receipts of \$346,435 and disbursements of \$387,451. The financial statements had a decrease in the cash balance of \$41,016 from the 2008 year-end cash balance, mainly due to an increase in cash disbursements, which was partially offset by a smaller increase in cash receipts.

In 2010, the General Fund, TANF – Help Me Grow Fund, and ARRA-ODH Part C Stimulus Fund had decreases in fund cash balances of \$10,600, \$33,534, and \$10,179, respectively. The Family Centered Services Fund had an increase in fund cash balance of \$1,862, while the GRF – Help Me Grow Fund cash balance remained unchanged. In 2009, the General Fund, TANF – Help Me Grow Fund, GRF – Help Me Grow Fund, and Part C – Help Me Grow Fund had decreases in fund cash balances of \$16,008, \$3,137, \$19,426, and \$15,759, respectively.

In 2010, the most significant change in fund cash balance was in the TANF – Help Me Grow Fund. This is due to the decrease in receipts from charges for services. In 2009, the most significant change in fund cash balance was in the GFR – Help Me Grow Fund. This is due to the increase in other disbursements.

**Capital Assets and Debt Administration**

The Council has no capital assets and no debt.

**Economic Factors**

The Council will be challenged to maintain the current level of services and programs due to a stagnant receipts base and ordinary inflation. The Council and its administration must maintain careful financial planning and prudent fiscal management in order to balance the budget annually.

**Contacting the Council's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Jeff Allen, at the Pike County Adult Activities Center, 330 East North Street, Waverly, Ohio 45690.

**Pike County Family and Children First Council**  
**Statement of Net Assets - Cash Basis**  
**As of December 31, 2010**

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**Assets**

Equity in Pooled Cash	<u>\$185,233</u>
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Total Assets	<u>185,233</u>
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**Net Assets**

Restricted for Other Purposes	173,634
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Unrestricted	<u>11,599</u>
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Total Net Assets	<u><u>\$185,233</u></u>
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See accompanying notes to the basic financial statements

**Pike County Family and Children First Council**  
**Statement of Activities - Cash Basis**  
**For the Year Ended December 31, 2010**

	Cash Disbursements	Program Cash Receipts Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Assets  Governmental Activities
Governmental Activities:			
Family Assistance:			
Contracts-Services	\$296,412	\$244,022	(\$52,390)
Other	10,046	9,985	(61)
Total Governmental Activities	\$306,458	\$254,007	(52,451)
			(52,451)
			237,684
			\$185,233

See accompanying notes to the basic financial statements

**Pike County Family and Children First Council**  
**Statement of Cash Basis Assets and Cash Basis Fund Balances - Governmental Funds**  
**As of December 31, 2010**

	General	TANF - Help Me Grow	GRF - Help Me Grow	Family Centered Services	ARRA-ODH Part C Stimulus	Other Governmental Funds	Total Governmental Funds
<b>Cash Basis Assets</b>							
Equity in Pooled Cash	\$11,599	\$138,148	\$15,427	\$9,280	\$0	\$10,779	\$185,233
Total Cash Basis Assets	<u>\$11,599</u>	<u>\$138,148</u>	<u>\$15,427</u>	<u>\$9,280</u>	<u>\$0</u>	<u>\$10,779</u>	<u>\$185,233</u>
<b>Cash Basis Fund Balances</b>							
Unreserved, Undesignated - Reported in:							
General Fund	\$11,599	\$0	\$0	\$0	\$0	\$0	\$11,599
Special Revenue Funds	<u>0</u>	<u>138,148</u>	<u>15,427</u>	<u>9,280</u>	<u>0</u>	<u>10,779</u>	<u>173,634</u>
Total Cash Basis Fund Balances	<u>\$11,599</u>	<u>\$138,148</u>	<u>\$15,427</u>	<u>\$9,280</u>	<u>\$0</u>	<u>\$10,779</u>	<u>\$185,233</u>

See accompanying notes to the basic financial statements

**Pike County Family and Children First Council**  
**Statement of Cash Receipts, Cash Disbursements, and**  
**Changes in Fund Cash Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2010**

	General	TANF - Help Me Grow	GRF - Help Me Grow	Family Centered Services	ARRA-ODH Part C Stimulus	Other Governmental Funds	Total Governmental Funds
<b>Cash Receipts:</b>							
Grants	\$17,069	\$0	\$137,255	\$29,500	\$36,316	\$33,867	\$254,007
Total Cash Receipts	<u>17,069</u>	<u>0</u>	<u>137,255</u>	<u>29,500</u>	<u>36,316</u>	<u>33,867</u>	<u>254,007</u>
<b>Cash Disbursements:</b>							
Current:							
Contract - Services	26,029	33,534	137,255	19,232	46,495	33,867	296,412
Other	1,640	0	0	8,406	0	0	10,046
Total Cash Disbursements	<u>27,669</u>	<u>33,534</u>	<u>137,255</u>	<u>27,638</u>	<u>46,495</u>	<u>33,867</u>	<u>306,458</u>
Total Cash Receipts Over/(Under) Cash Disbursements	(10,600)	(33,534)	0	1,862	(10,179)	0	(52,451)
Fund Cash Balances, January 1	<u>22,199</u>	<u>171,682</u>	<u>15,427</u>	<u>7,418</u>	<u>10,179</u>	<u>10,779</u>	<u>237,684</u>
Fund Cash Balances, December 31	<u>\$11,599</u>	<u>\$138,148</u>	<u>\$15,427</u>	<u>\$9,280</u>	<u>\$0</u>	<u>\$10,779</u>	<u>\$185,233</u>

See accompanying notes to the basic financial statements

**Pike County Family and Children First Council**  
**Statement of Net Assets - Cash Basis**  
**For the Year Ended December 31, 2009**

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**Assets**

Equity in Pooled Cash	<u>\$237,684</u>
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Total Assets	<u>237,684</u>
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**Net Assets**

Restricted for Other Purposes	215,485
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Unrestricted	<u>22,199</u>
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Total Net Assets	<u><u>\$237,684</u></u>
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See accompanying notes to the basic financial statements

**Pike County Family and Children First Council**  
**Statement of Activities - Cash Basis**  
**For the Year Ended December 31, 2009**

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Family Assistance:				
Contracts-Services	\$284,897	\$130,912	\$136,061	(\$17,924)
Other	<u>102,554</u>	<u>0</u>	<u>79,462</u>	<u>(23,092)</u>
Total Governmental Activities	<u>\$387,451</u>	<u>\$130,912</u>	<u>\$215,523</u>	<u>(41,016)</u>
		Change in Net Assets		(41,016)
		Net Assets Beginning of Year		<u>278,700</u>
		Net Assets End of Year		<u>\$237,684</u>

See accompanying notes to the basic financial statements



**Pike County Family and Children First Council**  
**Statement of Cash Basis Assets and Cash Basis Fund Balances - Governmental Funds**  
**For the Year Ended December 31, 2009**

	General	TANF - Help Me Grow	GRF - Help Me Grow	Part C - Help Me Grow	Other Governmental Funds	Total Governmental Funds
<b>Cash Basis Assets</b>						
Equity in Pooled Cash	\$22,199	\$171,682	\$15,427	\$8,579	\$19,797	\$237,684
Total Cash Basis Assets	<u>\$22,199</u>	<u>\$171,682</u>	<u>\$15,427</u>	<u>\$8,579</u>	<u>\$19,797</u>	<u>\$237,684</u>
<b>Cash Basis Fund Balances</b>						
Unreserved, Undesignated - Reported in:						
General Fund	\$22,199	\$0	\$0	\$0	\$0	\$22,199
Special Revenue Funds	0	171,682	15,427	8,579	19,797	215,485
Total Cash Basis Fund Balances	<u>\$22,199</u>	<u>\$171,682</u>	<u>\$15,427</u>	<u>\$8,579</u>	<u>\$19,797</u>	<u>\$237,684</u>

See accompanying notes to the basic financial statements

**Pike County Family and Children First Council**  
**Statement of Cash Receipts, Cash Disbursements, and**  
**Changes in Fund Cash Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2009**

	General	TANF - Help Me Grow	GRF - Help Me Grow	Part C - Help Me Grow	Other Governmental Funds	Total Governmental Funds
<b>Cash Receipts:</b>						
Grants	\$16,257	\$0	\$87,353	\$51,573	\$60,340	\$215,523
Charges for Services	0	130,912	0	0	0	130,912
Total Cash Receipts	<u>16,257</u>	<u>130,912</u>	<u>87,353</u>	<u>51,573</u>	<u>60,340</u>	<u>346,435</u>
<b>Cash Disbursements:</b>						
Current:						
Contract - Services	26,176	134,049	38,151	45,892	40,629	284,897
Other	6,089	0	68,628	21,440	6,397	102,554
Total Cash Disbursements	<u>32,265</u>	<u>134,049</u>	<u>106,779</u>	<u>67,332</u>	<u>47,026</u>	<u>387,451</u>
Total Cash Receipts Over/(Under)						
Cash Disbursements	(16,008)	(3,137)	(19,426)	(15,759)	13,314	(41,016)
Fund Cash Balances, January 1	<u>38,207</u>	<u>174,819</u>	<u>34,853</u>	<u>24,338</u>	<u>6,483</u>	<u>278,700</u>
Fund Cash Balances, December 31	<u>\$22,199</u>	<u>\$171,682</u>	<u>\$15,427</u>	<u>\$8,579</u>	<u>\$19,797</u>	<u>\$237,684</u>

See accompanying notes to the basic financial statements

**Pike County Family and Children First Council**  
**Notes to the Basic Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

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**1. DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY**

**A. Description of the Council**

Ohio Rev. Code Section 121.37 created the Ohio Family and Children First Cabinet Council and required the Board of County Commissioners in each County to establish County Family and Children First Councils. A Board of County Commissioners may invite any 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 its County Council. Each County Council must include the following individuals:

- a. At least three individuals whose families are or have received services from an agency represented on the Council or another County's Council. Where possible, the number of members representing families shall be equal to twenty percent of the Council's membership;
- b. The Director of the Board of Alcohol, Drug Addiction, and Mental Health Services that serves the County, or, in the case of a county that has a Board of Alcohol and Drug Addiction Services and a Community Mental Health Board, the Directors of both Boards. If a Board of Alcohol, Drug Addiction, and Mental Health Services covers more than one county, the Director may designate a person to participate on the County's Council;
- c. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each city and general health district in the County. If the County has two or more health districts, the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
- d. The Director of the County Department of Job and Family Services;
- e. The Executive Director of the county agency responsible for the administration of children services pursuant to Section 5153.15 of the Revised Code;
- f. The Superintendent of the County Board of Mental Retardation and Developmental Disabilities;
- g. The County's Juvenile Court Judge senior in service or another judge of the juvenile court designated by the administrative judge, or, where there is no administrative judge, by the judge senior in service;
- h. 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 Board of County Commissioners of its determination at least biennially;
- i. 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;
- j. A representative of the municipal corporation with the largest population in the County;
- k. The President of the Board of County Commissioners, or an individual designated by the Board;
- l. A representative of the regional office of the Department of Youth Services;

**Pike County Family and Children First Council**  
**Notes to the Basic Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

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**1. DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY (Continued)**

- m. A representative of the County's Head Start agencies, as defined in Section 3301.31 of the Revised Code;
- n. A representative of the County's early intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004"; and
- o. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

A County Council shall provide for the following:

- a. Referrals to the Cabinet Council of those children for whom the Council cannot provide adequate services;
- b. Development and implementation of a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;
- c. Participation in the development of a countywide, comprehensive, coordinated, multi-disciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the department of health for early intervention services under the "Individuals with Disabilities Education Act of 2004";
- d. Maintenance of an accountability system to monitor the County Council's progress in achieving results for families and children; and
- e. Establishment of a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the County system.

**B. Reporting Entity**

A reporting entity is comprised of the primary government and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Council consists of all funds and activities that are not legally separate from the Council. They comprise the Council's legal entity which provides various services including human, social, health and educational services to families and children. The Council and Coordinator have direct responsibility for these activities.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Accounting**

These financial statements follow the basis of accounting the Auditor of State prescribes or permits.

The Council's basic financial statements consist of government-wide statements, including a statement of net assets-cash basis and a statement of activities-cash basis, and fund financial statements, which provide a more detailed level of financial information.

**Pike County Family and Children First Council**  
**Notes to the Basic Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

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

**1. Government-Wide Financial Statements**

The statement of net assets – cash basis and the statement of activities-cash basis display information about the Council as a whole. These statements include the financial activities of the primary government.

The statement of net assets presents the financial condition of the governmental activities of the Council at year-end. The statement of activities presents a comparison between direct cash disbursements and program cash receipts for each program or function of the Council's governmental activities. Direct cash disbursements are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program cash receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Cash receipts which are not classified as program cash receipts are presented as general cash receipts of the Council, with certain limited exceptions. The comparison of direct cash disbursements with program cash receipts identifies the extent to which each governmental program is self-financing or draws from the general cash receipts of the Council.

**2. Fund Financial Statements**

During the year, the Council segregates transactions related to certain Council functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Council at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

**3. Fund Accounting**

The Council uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Council utilizes the governmental category of funds.

**4. Governmental Funds**

Governmental funds are those through which all governmental functions of the Council are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. The following are the Council's major governmental funds:

**General Fund** – The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Council for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the Council.

**TANF – Help Me Grow Fund** – The TANF Help Me Grow (HMG) Fund is used to account for receipts received and disbursed from grant monies for Temporary Assistance for Needy Families.

**GRF - Help Me Grow Fund** – The GRF Help Me Grow (HMG) Fund is used to account for receipts received and disbursed from State grant monies for early intervention programs from the Ohio Department of Health.

**Part C - Help Me Grow Fund (2009 Only)** – The Part C Help Me Grow (HMG) Fund is used to account for receipts received and disbursed from Federal grant monies for early intervention programs passed through the Ohio Department of Health.

**Pike County Family and Children First Council**  
**Notes to the Basic Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

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

**Family Centered Services Fund** (2010 Only) – The Family Centered Services Fund is used to account for receipts received and disbursed from grant monies for the Family Centered and Support Services Program. The fund replaces the former ADAMH Fund.

**ARRA-ODH Part C Stimulus Fund** (2010 Only) – The ARRA-ODH Part C Fund is used to account for receipts received and disbursed from Federal stimulus grant monies for early intervention programs passed through the Ohio Department of Health.

The other governmental funds of the Council account for grants and other resources whose use is restricted to a particular purpose.

**5. Measurement Focus**

The Council has elected to present its financial statements on the cash basis of accounting. This basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the Council's cash basis of accounting, receipts are recognized when received in cash, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

**6. Basis of Accounting**

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**B. Administrative/Fiscal Agent**

The Pike County Board of Developmental Disabilities is designated as the fiscal and administrative agent for the Council. Council funds are maintained by the Pike County Auditor in separate funds.

**C. Equity in Pooled Cash**

The Council's cash is maintained by the Board of Developmental Disabilities (DD), its statutory fiscal agent. The Pike County Auditor, the DD Board's fiscal agent, maintains a cash pool used by all the County's funds, including those of the Family and Children First Council. The Ohio Revised Code prescribes allowable deposits and investments and the County is responsible for compliance. As of December 31, 2010 and 2009, the Council's share of the County's cash pool was as follows:

	<u>2010</u>	<u>2009</u>
Equity in Pooled Cash	\$185,233	\$237,684

All risks associated with such deposits are the responsibility of Pike County.

**D. Budgetary Activity**

The Council files an annual estimate of expenditures with the Board of Developmental Disabilities (DD) as required by law. This estimate is adopted by the Board. The Fiscal Officer of the DD Board inputs these appropriations into the system and ensures that the Council's expenditures do not exceed appropriations. The Council budgets on a fiscal year ending June 30, therefore no budgetary presentation is reported in the basic financial statements.

**Pike County Family and Children First Council  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2010 and 2009**

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

**E. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying basic financial statements.

**F. Long-Term Debt Obligations**

The Council did not have any bonds or other long-term debt obligations.

**G. Net Assets**

These statements report restricted net assets when enabling legislation or creditors, grantors, or laws or regulations of other governments have imposed limitations on their use.

The Council first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

Of the Council's \$173,634 and \$215,485 in restricted net assets for 2010 and 2009, respectively, none is restricted by enabling legislation.

**3. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts, which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

**4. RISK MANAGEMENT**

The Council is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During 2010 and 2009, the Council was covered through Pike County who contracted with the Buckeye Joint-County Self-Insurance Council for liability, auto, and crime insurance. The program has a \$0 to \$5,000 deductible per occurrence.

Coverages provided by the program are as follows:

	<u>Aggregate</u>	<u>Each Occurrence</u>
General Liability	\$4,000,000	\$2,000,000
Public Officials	4,000,000	2,000,000
Law Enforcement	4,000,000	2,000,000
Automobile - Liability	-	2,000,000
Employee Benefits Liability	4,000,000	2,000,000

In addition, the County maintains separate replacement cost insurance on buildings and contents in the amount of \$29,495,171 and \$26,005,879 for 2010 and 2009, respectively, and other property insurance including \$1,000,000 for extra expenses.

Health insurance was provided by a private carrier, Anthem Blue Cross/Blue Shield for the year.

Workers' compensation benefits are provided through the State Bureau of Workers' Compensation.

**Pike County Family and Children First Council  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2010 and 2009**

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**4. RISK MANAGEMENT (Continued)**

The Council through their coverage with the County has not incurred significant reductions in insurance coverage from coverage in the prior year by major category of risk. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.





# Dave Yost • Auditor of State

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

Family and Children First Council  
Pike County  
330 E. North Street  
Waverly, Ohio 45690

To the Members of the Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Family and Children First Council, Pike County, Ohio (the Council), as of and for the years ended December 31, 2010 and 2009, which collectively comprise the Council's basic financial statements and have issued our report thereon dated September 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Council's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Council's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Council's management in a separate letter dated September 29, 2011.

We intend this report solely for the information and use of management, the Council, and others within the Council. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

September 29, 2011



# Dave Yost • Auditor of State

**PIKE COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**PIKE 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  
OCTOBER 13, 2011**