



Dave Yost • Auditor of State



HARRISON FAMILY AND CHILDREN FIRST COUNCIL  
HARRISON COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Harrison Family and Children First Council  
Harrison County  
730 Peppard Avenue  
Cadiz, Ohio 43907

To the Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of the Harrison Family and Children First Council, Harrison County, Ohio (the Council), as of and for the years ended June 30, 2014 and 2013.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Council's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the Council prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Council does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Council as of June 30, 2014 and 2013, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Harrison Family and Children First Council, Harrison County, Ohio as of June 30, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State

Columbus, Ohio

May 18, 2015

**HARRISON FAMILY AND CHILDREN FIRST COUNCIL  
HARRISON COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	General	Special Revenue	Totals (Memorandum Only)
<b><i>Cash Receipts:</i></b>			
Intergovernmental	\$15,750	\$438,049	\$453,799
<i>Total Cash Receipts</i>	15,750	438,049	453,799
<b><u><i>Cash Disbursements:</i></u></b>			
Salaries and Benefits	13,098	259,368	272,466
Purchased Services	40	79,697	79,737
Supplies and Materials	198	21,022	21,220
Capital Outlay		8,128	8,128
Other	82	2,500	2,582
<i>Total Cash Disbursements</i>	13,418	370,715	384,133
<i>Excess of Cash Receipts Over Cash Disbursements</i>	2,332	67,334	69,666
<b><u><i>Other Financing Receipts (Disbursements):</i></u></b>			
Transfers In	594	4,534	5,128
Transfers Out		(5,128)	(5,128)
Advances In		19,735	19,735
Advances Out		(19,735)	(19,735)
<i>Total Other Financing Receipts (Disbursements)</i>	594	(594)	0
<i>Net Change in Fund Cash Balances</i>	2,926	66,740	69,666
<i>Fund Cash Balances, July 1</i>	594	47,697	48,291
<b><u><i>Fund Cash Balances, June 30:</i></u></b>			
Restricted		114,437	114,437
Unassigned	3,520		3,520
<i>Fund Cash Balances, June 30</i>	\$3,520	\$114,437	\$117,957

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

**HARRISON FAMILY AND CHILDREN FIRST COUNCIL  
HARRISON COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	General	Special Revenue	Totals (Memorandum Only)
<b><u>Cash Receipts:</u></b>			
Intergovernmental	\$15,750	\$260,747	\$276,497
<i>Total Cash Receipts</i>	15,750	260,747	276,497
<b><u>Cash Disbursements:</u></b>			
Salaries and Benefits	11,698	178,264	189,962
Purchased Services	5,873	65,367	71,240
Supplies and Materials	50	10,785	10,835
Capital Outlay		12,229	12,229
Other		4,055	4,055
<i>Total Cash Disbursements</i>	17,621	270,700	288,321
<i>Excess of Cash Receipts (Under) Cash Disbursements</i>	(1,871)	(9,953)	(11,824)
<b><u>Other Financing Receipts (Disbursements):</u></b>			
Advances In		12,235	12,235
Advances Out		(12,235)	(12,235)
<i>Total Other Financing Receipts (Disbursements)</i>		0	0
<i>Net Change in Fund Cash Balances</i>	(1,871)	(9,953)	(11,824)
<i>Fund Cash Balances, July 1</i>	2,465	57,650	60,115
<b><u>Fund Cash Balances, June 30:</u></b>			
Restricted		47,697	47,697
Unassigned	594		594
<i>Fund Cash Balances, June 30</i>	\$594	\$47,697	\$48,291

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



**HARRISON FAMILY AND CHILDREN FIRST COUNCIL  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

**Note 1 Reporting Entity/Summary of Significant Accounting Policies**

**A. Description of the Entity**

Ohio Revised Code § 121.37 created the Ohio Family and Children First Cabinet Council and required each Board of County Commissioners to establish a County Family and Children First Council. Statutory membership of County Council consists of the following individuals:

- a. At least three individuals representing the interest 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;
- 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 Addition, 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 or 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 public children services agency or the County agency responsible for the administration of children services pursuant to the Ohio Revised Code § 5153.15;
- f. The Superintendent of the County Board of Developmental Disabilities or if the Superintendent serves as Superintendent of more than one County Board of Developmental Disabilities, the Superintendent's designee;
- 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 Ohio Department of Education, which shall notify each County of its determination at least biennially;
- h. A School Superintendent representing all other school districts with territory in the County, as designated at a biennial meeting of the superintendents of those districts;
- i. A representative of the municipal corporation with the largest population in the County;
- j. The President of the Board of County Commissioners or an individual designated by the Board;
- k. A representative of the regional office of the Ohio Department of Youth Services;
- l. A representative of the County's Head Start agencies, as defined in Ohio Revised Code § 3301.32;

**HARRISON FAMILY AND CHILDREN FIRST COUNCIL  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013  
(Continued)**

**Note 1 Reporting Entity/Summary of Significant Accounting Policies (Continued)**

**A. Description of the Entity (Continued)**

- m. 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
- n. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

A County Family and Children First Council may invite any other local public or private agency or group that funds, advocates, or provides services to children to have a representative become a permanent or temporary member of the Council.

The purpose of the County Council is to streamline and coordinate existing government services for families seeking services for their children. In seeking to fulfill its purpose, a County Council shall provide for the following:

- a. Referrals to the Cabinet Council of those children for whom the County 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, component units, 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, departments, and activities that are not legally separate from the Council. They comprise the Council's legal entity which provides services including human, social, health and education to families and children.

Component units are legally separate organizations for which the Council is financially accountable. The Council is financially accountable for an organization if the Council appoints a voting majority of the organization's governing board and (1) the Council is able to significantly influence the programs or services performed or provided by the organization; or

**HARRISON FAMILY AND CHILDREN FIRST COUNCIL  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013  
(Continued)**

**Note 1 Reporting Entity/Summary of Significant Accounting Policies (Continued)**

**B. Reporting Entity (Continued)**

(2) the Council is legally entitled to or can otherwise access the organization's resources; the Council is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Council is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Council in that the Council approves the budget, the issuance of debt, or the levying of taxes. The Council has no component units.

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

**C. Basis of Accounting**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D). 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 financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

**D. Fund Accounting**

The Council uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Council classifies its funds into the following types:

**General Fund** – The General Fund is the operating fund of the Council. It is used to account for and report all financial resources not accounted for and reported in another fund.

**Special Revenue Funds** – These funds are used to account for and report specific sources (other than from trusts or for capital projects) that are restricted or committed to expenditure for specified purposes. The Council had the following significant Special Revenue Fund:

Help Me Grow Grant Fund – This fund receives state and federal grant monies restricted for the purpose of the grant provisions.

**HARRISON FAMILY AND CHILDREN FIRST COUNCIL  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013  
(Continued)**

**Note 1 Reporting Entity/Summary of Significant Accounting Policies (Continued)**

**E. Administrative/Fiscal Agent**

Ohio Revised Code § 121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council has selected the Harrison Hills City School District. The Council authorizes Harrison Hills City School District, as fiscal agent and administrative agent, to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in the agreement. The Harrison Hills City School District agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement.

**F. Budgetary Process**

A Family and Children First Council established under Ohio Revised Code § 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. The Council filed an estimate of financial resources and an appropriation measure with the Harrison Hills City School District as required by Ohio law.

A summary of 2014 and 2013 budgetary activity appears in Note 2.

**G. Cash and Investments**

The Council's fiscal agent is the custodian for the Council's cash and investments. The fiscal agent maintains a cash and investment pool used for all of the fiscal agent's funds, including those of the Council. Deposits and investments are made in accordance with the Ohio Revised Code and are valued at the fiscal agent's carrying amount.

**H. Property, Plant and Equipment**

The Council records cash disbursements for acquisitions of property, plant and equipment when paid. These items are not reflected as assets in the accompanying financial statements.

**I. Accumulated Leave**

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

**J. Fund Balance**

Fund balance is divided into the classifications based primarily on the extent to which the Council must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**Restricted** – Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions or enabling legislation.

**HARRISON FAMILY AND CHILDREN FIRST COUNCIL  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013  
(Continued)**

**Note 1 Reporting Entity/Summary of Significant Accounting Policies (Continued)**

**J. Fund Balance (Continued)**

**Unassigned** – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from the overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Council applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 2 Budgetary Activity**

Budgetary activity for the fiscal years ending June 30, 2014 and 2013, follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$16,344	\$16,344	\$0
Special Revenue	475,901	462,318	(13,583)
Total	\$492,245	\$478,662	(\$13,583)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$16,070	\$15,458	\$612
Special Revenue	445,657	417,958	27,699
Total	\$461,727	\$433,416	\$28,311

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$18,049	\$15,750	(\$2,299)
Special Revenue	258,316	272,982	14,666
Total	\$276,365	\$288,732	\$12,367

**HARRISON FAMILY AND CHILDREN FIRST COUNCIL  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013  
(Continued)**

**Note 2 Budgetary Activity (Continued)**

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$17,621	\$17,621	\$0
Special Revenue	306,131	298,721	7,410
Total	\$323,752	\$316,342	\$7,410

**Note 3 Equity in Pooled Cash and Investments**

The Harrison Hills City School District, as fiscal agent for the Council, maintains a cash and investments pool used by all of the Harrison Hills City School District funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Harrison Hills City School District is responsible for compliance. The carrying amount of deposits with the District at June 30, 2014 and June 30, 2013 was \$117,957 and \$48,291, respectively.

The fiscal agent is responsible for maintaining adequate depository collateral for all funds in the fiscal agent's pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the fiscal agent.

**Note 4 Retirement System**

The Council contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 10 percent of their annual covered salary and the Council is required to contribute at an actuarially determined rate. The current Council rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Council. The Council has paid all contributions required through June 30, 2014.

**Note 5 Risk Management**

The Council is insured for general liability and casualty through the Harrison Hills City School District. The Harrison Hills City School District maintains comprehensive insurance coverage through the Ohio School Plan via Harcum-Hyre Insurance Agency.

**HARRISON FAMILY AND CHILDREN FIRST COUNCIL  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013  
(Continued)**

**Note 6 Contingent Liabilities**

Amounts grantor agencies pay to the council are subject to audit and adjustment by the grantor. 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.

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# Dave Yost • Auditor of State

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

Harrison Family and Children First Council  
Harrison County  
730 Peppard Avenue  
Cadiz, Ohio 43907

To the Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Harrison Family and Children First Council, Harrison County, Ohio (the Council), as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated May 18, 2015, wherein we noted the Council followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

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

As part of our financial statement audit, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Council's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying Schedule of Findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

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 a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Council's financial statements. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider Findings 2014-001 and 2014-002 described in the accompanying Schedule of Findings to be material weaknesses.

***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, opining 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*.

***Entity's Responses to Findings***

The Council's responses to the Findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Council's responses and, accordingly, we express no opinion on them.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State

Columbus, Ohio

May 18, 2015

**HARRISON FAMILY AND CHILDREN FIRST COUNCIL  
HARRISON COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2014 AND 2013**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2014-001**

**Material Weakness**

All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Council's receipts were not always posted into accurate classifications. The following reclassifications were noted:

During 2014, the Council repaid an advance from 2013 of \$12,235 and recorded it as Intergovernmental Receipts instead of Other Financing Sources – Advances-In in the Help Me Grow, Special Revenue Fund Type. Also, \$594 was recorded as Intergovernmental Receipts instead of Other Financing Sources – Transfers-In to the General Fund.

During 2013, the Council recorded \$12,235 as Intergovernmental Receipts instead of Other Financing Sources – Advances-In to the Family and Children First Council Special Revenue Fund.

The reclassifications noted above were agreed to by Council officials and are reflected within the accompanying financial statements.

Also, during 2014, the Council recorded \$30,247 as Intergovernmental Receipts instead of Other Financing Sources – Advances-In in the amount of \$12,137 and Other Financing Sources – Transfers-In in the amount of \$18,110 to the Help Me Grow, Special Revenue Fund. Of the above amounts, \$4,637 was considered intrafund advances and \$13,576 of the transfers-in was considered an intrafund transfers. Therefore, these intrafund transactions were eliminated from the accompanying financial statements. The adjustments for the remainder of the advances-in of \$7,500 and transfers-in of \$4,534 were agreed to by Council officials and are reflected within the accompanying financial statements.

In addition, the Council also posted 2014 and 2013 receipts in the amounts of \$1,940 and \$2,500, respectively, as Intergovernmental Receipts instead of Miscellaneous Receipts-Donations to the Help Me Grow, Special Revenue Fund Type. The reclassifications for the donations are not reflected in the accompanying financial statements.

The Council should utilize available authoritative resources to appropriately classify and record transfers, advances and donation receipt transactions.

**Officials Response:** Harrison Hills City School District will correct this beginning in fiscal year 2015.

HARRISON FAMILY AND CHILDREN FIRST COUNCIL  
HARRISON COUNTY

SCHEDULE OF FINDINGS  
JUNE 30, 2014 AND 2013  
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2014-002

**Material Weakness**

All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Council did not reflect its June 30, 2014 and June 30, 2013 fund cash balances in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for fiscal years beginning after June 15, 2010.

Adjustments, with which management agrees, are reflected in the accompanying financial statements to accurately classify fund cash balances at June 30, 2014 and 2013 in accordance with GASB Statement No. 54.

The Council should develop internal control procedures to ensure the financial statements accurately reflect the fund cash balances in accordance with GASB Statement No. 54 reporting requirements. The Council Treasurer may refer to Auditor of State Bulletin 2011-004 for additional guidance.

**Officials Response:** Harrison Hills City School District will correct this beginning in fiscal year 2015.



# Dave Yost • Auditor of State

**HARRISON FAMILY AND CHILDREN FIRST**

**HARRISON 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 11, 2015**