



Mary Taylor, CPA
Auditor of State

**FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances -All Governmental Fund Types - For the Year Ended June 30, 2008.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances -All Governmental Fund Types - For the Year Ended June 30, 2007.....	6
Notes to the Financial Statements	7
Federal Awards Expenditures Schedule - For the Year Ended June 30, 2007	13
Notes to the Federal Awards Expenditures Schedule	14
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	15
Independent Accountants' Report on Compliance with Requirements Applicable to the Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	17
Schedule of Findings.....	19

THIS PAGE INTENTIONALLY LEFT BLANK



Mary Taylor, CPA
Auditor of State

Family, Adult and Children First Council
Fairfield County
108 West Main Street
Lancaster, Ohio 43130

To the Council Members:

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

April 28, 2009

THIS PAGE INTENTIONALLY LEFT BLANK



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Family, Adult and Children First Council
Fairfield County
108 West Main Street
Lancaster, Ohio 43130

To the Council Members:

We have audited the accompanying financial statements of Family, Adult and Children First Council, Fairfield County, Ohio, (the Council) as of and for the years ended June 30, 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 that our audit provides a reasonable basis for our opinion.

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

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended June 30, 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 June 30, 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 Family, Adult and Children First Council, Fairfield County, Ohio, as of June 30, 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 April 28, 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.

We conducted our audit to opine on the Council's financial statements. The Federal Awards Expenditures Schedule presents additional information and is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. It is not a required part of the financial statements. We subjected this schedule to the auditing procedures applied in our audit of the Council's financial statements. In our opinion, this information is fairly stated in all material respects in relation to the financial statement taken as a whole.

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

April 28, 2009

**FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$ 33,855	\$ 1,208,137	\$ 1,241,992
County Contributions	-	100,000	100,000
Miscellaneous Receipts	461	1,799	2,260
	<u>34,316</u>	<u>1,309,936</u>	<u>1,344,252</u>
Total Cash Receipts			
	<u>34,316</u>	<u>1,309,936</u>	<u>1,344,252</u>
Cash Disbursements:			
Current:			
Personal Services	32,964	297,661	330,625
Supplies and Materials	2,858	3,219	6,077
Purchased Services	6,046	1,082,263	1,088,309
Training/Travel Expenses	2,947	3,218	6,165
Advertising/Printing Expenses	841	315	1,156
Capital Outlay	-	2,901	2,901
	<u>45,656</u>	<u>1,389,577</u>	<u>1,435,233</u>
Total Cash Disbursements			
	<u>45,656</u>	<u>1,389,577</u>	<u>1,435,233</u>
Total Cash Receipts (Under) Cash Disbursements	(11,340)	(79,641)	(90,981)
Other Financing Receipts:			
Loan From Primary Government	-	135,804	135,804
	<u>-</u>	<u>135,804</u>	<u>135,804</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(11,340)	56,163	44,823
Fund Cash Balances, July 1	<u>19,582</u>	<u>124,398</u>	<u>143,980</u>
Fund Cash Balances, June 30	<u>\$ 8,242</u>	<u>\$ 180,561</u>	<u>\$ 188,803</u>

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

**FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$ 26,711	\$ 960,263	\$ 986,974
County Contributions	-	100,000	100,000
	<u>26,711</u>	<u>1,060,263</u>	<u>1,086,974</u>
Total Cash Receipts	<u>26,711</u>	<u>1,060,263</u>	<u>1,086,974</u>
Cash Disbursements:			
Current:			
Personal Services	17,316	306,048	323,364
Supplies and Materials	1,583	5,792	7,375
Purchased Services	5,100	795,158	800,258
Training/Travel Expenses	1,882	7,133	9,015
Advertising/Printing Expenses	961	2,100	3,061
Capital Outlay	2,263	-	2,263
	<u>29,105</u>	<u>1,116,231</u>	<u>1,145,336</u>
Total Cash Disbursements	<u>29,105</u>	<u>1,116,231</u>	<u>1,145,336</u>
Total Cash Receipts (Under) Cash Disbursements	(2,394)	(55,968)	(58,362)
Fund Cash Balances, July 1	<u>21,976</u>	<u>180,366</u>	<u>202,342</u>
Fund Cash Balances, June 30	<u>\$ 19,582</u>	<u>\$ 124,398</u>	<u>\$ 143,980</u>

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

**FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2008 AND JUNE 30, 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

- a. The director of the board of alcohol, drug addiction, and mental health services that 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 director of both boards;
- b. The health commissioner of the board of health of each city or general health district in the county, or their designees;
- c. The director of the county department of job and family services;
- d. The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code;
- e. The superintendent of the county board of mental retardation and developmental disabilities;
- f. The county's juvenile court judge senior in service;
- g. The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each county of its determination at least biennially;
- h. A school superintendent representing all other school districts with territory in the county, as designated at a biennial meeting of the superintendents of those districts;
- i. A representative of the largest city in the county;
- j. The chair of the board of county commissioners, or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county's head start agencies, as defined in section 3301.31 of the Revised Code;
- m. A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "Education of the Handicapped Act Amendments of 1986";
- n. At least three individuals representing the interests of families in the county. Where possible, the number of members representing families shall be equal to twenty per cent of the council's remaining membership.

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

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. Make periodic reports to the cabinet council regarding the number of children referred to the county council and the progress made in meeting the needs of each child;
- c. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invents new approaches to achieve better results for family and children;

**FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2008 AND JUNE 30, 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

- d. Participate in the development of a countywide, comprehensive, coordinated, multi-disciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the department of health for early intervention services under the "Education of the Handicapped Act Amendments of 1986";
- e. Maintain an accountability system to monitor the council's progress in achieving its purposes;
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

B. Basis of Accounting

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

This statement adequately discloses material matters the Auditor of State's accounting basis requires.

C. Cash

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

General Fund

The General Fund accounts for all financial resources except those restricted by law or contract.

Special Revenue Funds

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

Help Me Grow Grant - This fund receives monies for the purpose of the grant provisions.

Multi System Youth Pooled Grant - This fund receives monies for the purpose of the grant provisions.

**FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2008 AND JUNE 30, 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Property, Plant, and Equipment

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

F. Accumulated Leave

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

2. EQUITY IN POOLED CASH

The Fairfield County Treasurer maintains a cash pool used by all of the County's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the County at June 30, 2008 and June 30, 2007 was \$188,803 and \$143,980 respectively. The Fairfield County Treasurer is responsible for all risks associated with the Council's deposits.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended June 30, 2008 follows:

Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$52,978	\$34,316	\$18,662
Special Revenue	1,807,246	1,445,740	361,506
Total	\$1,860,224	\$1,480,056	\$380,168

Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$147,116	\$45,656	\$101,460
Special Revenue	1,658,921	1,389,577	269,344
Total	\$1,806,037	\$1,435,233	\$370,804

Budgetary activity for the year ended June 30, 2007 follows:

Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$20,000	\$26,711	(\$6,711)
Special Revenue	1,169,535	1,060,263	109,272
Total	\$1,189,535	\$1,086,974	\$102,561

**FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2008 AND JUNE 30, 2007
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$44,640	\$29,105	\$15,535
Special Revenue	1,261,192	1,116,231	144,961
Total	\$1,305,832	\$1,145,336	\$160,496

4. RETIREMENT SYSTEM

The Council's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan benefits, which include postretirement healthcare and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, the OPERS member contributed 10% and 9.5%, respectively, of their gross salary and the Council contributed an amount equaling 14% and 13.85%, respectively, of the participants' gross salary. The Council has paid all contributions required through December 31, 2008.

5. PUBLIC ENTITY RISK POOL

County Risk Sharing Authority, Inc. (CORSA)

The County Risk Sharing Authority, Inc. (CORSA) is a shared risk pool among forty-one counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Members agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. The coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, which will be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the Corporation. Only County Commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the members' obligations to make coverage payments to CORSA. The participating members have no responsibility for the payment of the certificates. The Council does not have an equity interest in CORSA.

6. 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 refunds would be immaterial.

**FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2008 AND JUNE 30, 2007
(Continued)**

7. LOAN FROM PRIMARY GOVERNMENT

The Fairfield County Commissioners made an interest free loan to the Council totaling \$135,804 in June of 2008. These monies were used to meet the financial obligations of the Council while waiting for a Temporary Assistance to Needy Families (TANF) grant reimbursement. The loan is to be repaid with Council resources when such resources become available, and prior to December 15, 2008.

8. SUBSEQUENT EVENT

The Council repaid the Loan from Primary Government by full on August 12, 2008.

THIS PAGE INTENTIONALLY LEFT BLANK

**FAIRFIELD, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2007**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Drug Free Communities Support Program Grant	n/a	93.276	\$ 122,507
<i>Passed Through Fairfield County Department of Jobs and Family Services</i>			
Temporay Assistance for Needy Families (TANF)	23-1-002-1-EG-07/08	93.558	<u>337,617</u>
Total U.S. Department of Health and Human Services			<u>460,124</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Health</i>			
Special Education_Grants for Infants and Families with Disabilities Grant	23-1-002-1-EG-07/08	84.181	114,361
<i>Passed Through Lancaster City School District</i>			
Twenty-First Century Community Learning Centers Grant	T1-S1-2006	84.287	<u>17,969</u>
Total U.S. Department of Education			<u>132,330</u>
Total			<u>\$ 592,454</u>

The accompanying notes are an integral part of this schedule.

**FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2007**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the Council's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - SUBRECIPIENTS

The Council passes-through certain Federal assistance received from the Fairfield County Jobs and Family Services to other governments or not-for-profit agencies (subrecipients). As described in Note A, the Council records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the Council is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements, and that performance goals are achieved.

Of the Federal expenditures presented in the Schedule, the Council provided Federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Sub-recipients</u>
Temporary Assistance for Needy Families	93.558	\$194,191
Special Education Grants for Infants and Families with Disabilities Grant	84.181	66,290

NOTE C - MATCHING REQUIREMENTS

Certain Federal programs require that the Council contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Council has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



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*

Family, Adult and Children First Council
Fairfield County
108 West Main Street
Lancaster, Ohio 43130

To the Council Members:

We have audited the financial statements of the Family, Adult and Children First Council, Fairfield County, Ohio, (the Council) as of and for the years ended June 30, 2008 and 2007, and have issued our report thereon dated April 28, 2009, wherein we noted the Council prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our audit procedures for 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.

We noted certain matters that we reported to the Council's management in a separate letter dated April 28, 2009.

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, the Council Members, federal awarding agencies and pass-through entities. 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

April 28, 2009



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Family, Adult and Children First Council
Fairfield County
108 West Main Street
Lancaster, Ohio 43130

To the Council Members:

Compliance

We have audited the compliance of the Family, Adult and Children First Council, Fairfield County, Ohio, (the Council) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended June 30, 2007. The summary of auditor's results section of the accompanying schedule of findings identifies the Council's major federal program. The Council's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Council's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Council's compliance with those requirements.

In our opinion, the Council complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2007. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that OMB Circular A-133 requires us to report, which is described in the accompanying schedule of findings as item 2007-001.

Internal Control Over Compliance

The Council's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Council's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Council's ability to administer a federal program such that there is more than a remote likelihood that the Council's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the Council's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

The Council's response to the finding we identified is described in the accompanying schedule of findings. We did not audit the Council's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the management, the Council Members, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

April 28, 2009

**FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	Temporary Assistance for Needy Families (TANF) – CFDA #93.558
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

**FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS

1. Federal Single Audit

Finding Number 2007-001

CFDA Title and Number	Federal Award Number/Year	Federal Agency	Pass-Through Agency
CFDA #93.276 – Drug Free Communities support Program Grant	23-1-002-1-EG-07/08	U.S. Department of Health and Human Services	N/A
CFDA #93.558 – Temporary Assistance for Needy Families	23-1-002-1-EG-07/08	U.S. Department of Health and Human Services	Fairfield County Department of Jobs and Family Services
CFDA #84.181 – Special Education Grants for Infants and Families with Disabilities Grant	23-1-002-1-EG-07/08	U.S. Department of Education	Ohio Department of Health
CFDA #84.287 – Twenty First Century Community Learning Centers Grant	T1-S1-2006	U.S. Department of Education	Lancaster City School District

Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section .200(b) provides that a non-federal entity that expends \$500,000 or more in a year in federal awards shall have a single audit conducted as discussed in the Circular. Section .105 defines such entities as “auditees”. Section .300(a) states, an auditee shall “Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal programs and award identification shall include, as applicable, the Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, name of the Federal agency, and name of the pass-through entity.”

Section .300(e) further states, an auditee shall “Ensure that the audits required by this part are properly performed and submitted when due.” Section .320(a) provides that single audits shall be completed and a reporting package submitted to the federal clearinghouse designated by OMB, within the earlier of 30 days after receipt of the auditor’s report(s), or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.

The Council expended in excess of \$500,000 in federal awards during the fiscal year ended June 30, 2007, however, it did not ensure that a single audit was conducted within the time period specified by OMB Circular A-133 Section .320(a). Further, no extension was granted and therefore the Council failed to meet the filing deadline.

We recommend the Council Coordinator develop procedures to ensure that a single audit is conducted for any fiscal year in which the \$500,000 expenditure threshold is exceeded. We further recommend the Council develop procedures for timely submission of their A-133 reporting package.

**FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS

1. Federal Single Audit (continued)

Finding Number 2007-001 (continued)

Official's Response/Corrective Action Plan:

We have been made aware that our FY 07 federal expenditures triggered a single audit. We acknowledge that it is our responsibility to accurately determine the need for the single audit. To that end, we have established a protocol for the Council Director (Peggy Shepherd) to utilize the new capabilities of the Fairfield County Auditor's MUNIS accounting system to 1) accurately categorize all revenue as federal, state, intergovernmental and 2) accurately code all expenses allocating them to their revenue source, and 3) run a comprehensive report of all federal expenses no later than July 10 of each year to determine whether a single audit is required for each fiscal year.



Mary Taylor, CPA
Auditor of State

FAIRFIELD COUNTY FAMILY, ADULT AND CHILDREN FIRST COUNCIL

FAIRFIELD 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 9, 2009**