



**FAMILY AND CHILDREN FIRST COUNCIL
PICKAWAY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED JUNE 30, 2006-2005



Mary Taylor, CPA
Auditor of State

**FAMILY AND CHILDREN FIRST COUNCIL
PICKAWAY COUNTY**

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Mary Taylor, CPA

Auditor of State

Family and Children First Council
Pickaway County
110 Island Road
Circleville, Ohio 43113

To the Members of the Council:

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.

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Mary Taylor, CPA
Auditor of State

August 23, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council
Pickaway County
110 Island Road
Circleville, Ohio 43113

To the Members of the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Pickaway County, Ohio, (the Council) as of and for the years ended June 30, 2006 and 2005. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

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

Instead of the combined funds the accompanying financial statements present, GAAP 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, 2006 and 2005 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, 2006 and 2005, 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 and Children First Council, Pickaway County, Ohio as of June 30, 2006 and 2005, 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 August 23, 2007, 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.



Mary Taylor, CPA
Auditor of State

August 23, 2007

**FAMILY AND CHILDREN FIRST COUNCIL
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Charges for Services	\$13,554	\$0	\$13,554
Intergovernmental	20,000	151,628	171,628
Miscellaneous	91	0	91
	<hr/>		
Total Cash Receipts	33,645	151,628	185,273
	<hr/>		
Cash Disbursements:			
Purchased Services	8,138	0	8,138
Payroll and Related Expenses	17,426	0	17,426
Supplies and Materials	564	0	564
Help Me Grow - Part C	0	50,957	50,957
Help Me Grow - GRF	0	27,973	27,973
ADAMH Grant	0	7,533	7,533
ADAMH FAST Grant	0	30,550	30,550
Children's Trust Grant	0	23,019	23,019
ABC General Revenue (Non Behavioral) Grant	0	2,733	2,733
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Total Cash Disbursements	26,128	142,765	168,893
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Total Receipts Over Disbursements	7,517	8,863	16,380
	<hr/>		
Fund Cash Balances, July 1	21,250	10,044	31,294
	<hr/>		
Fund Cash Balances, June 30	<u>\$28,767</u>	<u>\$18,907</u>	<u>\$47,674</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Charges for Services	\$10,867	\$0	\$10,867
Intergovernmental	18,800	129,731	148,531
Miscellaneous	2	0	2
	<u>29,669</u>	<u>129,731</u>	<u>159,400</u>
Total Cash Receipts			
	<u>29,669</u>	<u>129,731</u>	<u>159,400</u>
Cash Disbursements:			
Purchased Services	1,592	0	1,592
Payroll and Related Expenses	19,403	0	19,403
Supplies and Materials	747	0	747
Travel and Training	1,254	0	1,254
Help Me Grow - Part C	0	46,283	46,283
Help Me Grow - GRF	0	45,116	45,116
ADAMH Grant	0	5,475	5,475
ADAMH FAST Grant	0	26,169	26,169
Children's Trust Grant	0	10,610	10,610
	<u>22,996</u>	<u>133,653</u>	<u>156,649</u>
Total Cash Disbursements			
	<u>22,996</u>	<u>133,653</u>	<u>156,649</u>
Total Receipts Over/(Under) Disbursements	6,673	(3,922)	2,751
Fund Cash Balances, July 1	<u>14,577</u>	<u>13,966</u>	<u>28,543</u>
Fund Cash Balances, June 30	<u><u>\$21,250</u></u>	<u><u>\$10,044</u></u>	<u><u>\$31,294</u></u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005**

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 directors of both boards;
- b. The health commissioner of the board of health of each city or general health district in the county, or their designees;
- c. The director of the county department of human services;
- d. The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code;
- e. The superintendent of the county board of mental retardation and developmental disabilities;
- f. The county's juvenile court judge senior in service;
- g. The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each county of its determination at least biennially.
- h. A school superintendent representing all other school 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"; and
- n. At least three individuals representing the interests of families in the county. Where possible, the number of members representing families shall be equal to twenty per cent of the council's remaining membership.

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.

**FAMILY AND CHILDREN FIRST COUNCIL
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. Make periodic reports to the cabinet council regarding the number of children referred to the county council and the progress made in meeting the needs of each child;
- c. Develop a plan that reviews and adjusts existing programs, fills services gaps where possible, or invents new approaches to achieve better results for families and children;
- d. Participate in the development of a countywide, comprehensive, coordinated, multi disciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the department of health for every intervention services under the Education of the Handicapped Act Amendments of 1986";
- e. Maintain an accountability system to monitor the council's progress in achieving its purposes; and
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving service with in the county system.

B. Basis of Accounting

These financial statements follow 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.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Fund Accounting

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

1. General Fund

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

**FAMILY AND CHILDREN FIRST COUNCIL
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

2. 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 – Part C – This fund receives grant money to provide services for expectant parents; newborns and their families; and infants and toddlers at risk for or with developmental delays and disabilities and their families.

Help Me Grow – GRF – This fund receives grant money to enhance the local child and family serving system, according to the terms of the Temporary Assistance for Needed Families Agreement. In addition, this fund receives grant money to provide services for expectant parents; newborns and their families; and infants and toddlers at risk for or with developmental delays and disabilities and their families

ADAMH FAST Grant – This fund receives monies for the purpose of the grant provisions.

D. Administrative Agent/Fiscal Agent

The Council designated the Pickaway County Treasurer as the fiscal agent for all funds received in the name of the Council. The Council designated the Pickaway County Department of Jobs and Family Services as its administrative agent.

E. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Pickaway County Treasurer, as fiscal agent for the Council, maintains a cash and investments pool used by all of the County's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments.

The carrying amount of cash at June 30 was as follows:

	<u>2006</u>	<u>2005</u>
Pickaway County Treasurer	<u>\$47,674</u>	<u>\$31,294</u>
Total deposits	<u>\$47,674</u>	<u>\$31,294</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005
(Continued)**

3. RETIREMENT SYSTEM

The Council's employee belongs to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's retirement benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, OPERS members contributed 9% and 8.5%, respectively, of their gross salaries. The Council contributed an amount equaling 13.7% and 13.55%, for 2006 and 2005 respectively, of the participants' gross salaries. The Council has paid all contribution required through June 30, 2006.

4. RISK MANAGEMENT

The Council is exposed to various risk of loss related to torts; theft or damage to, and destruction of assets. During 2006 and 2005, the Council's fiscal agent, Pickaway County, provided insurance for the assets of the Council.

5. CONTINGENT LIABILITIES

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



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 and Children First Council
Pickaway County
110 Island Road
Circleville, Ohio 43113

To the Members of the Council:

We have audited the financial statements of the Family and Children First Council, Pickaway County, Ohio, (the Council) as of and for the years ended June 30, 2006 and 2005, and have issued our report thereon dated August 23, 2007, wherein we noted the Council followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider 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, 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*.

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We intend this report solely for the information and use of the audit committee, management, and the Members of Council. It is not intended for anyone other than these specified parties.

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Mary Taylor, CPA
Auditor of State

August 23, 2007



Mary Taylor, CPA
Auditor of State

FAMILY AND CHILDREN FIRST COUNCIL

PICKAWAY 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
SEPTEMBER 20, 2007**