



Mary Taylor, CPA  
Auditor of State



**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
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
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	11

**This page intentionally left blank.**



Mary Taylor, CPA  
Auditor of State

Family and Children First Council  
Preble County  
1500 Park Avenue  
Eaton, Ohio 45320

To the Executive 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 government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

October 29, 2008

**This page intentionally left blank.**



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council  
Preble County  
1500 Park Avenue  
Eaton, Ohio 45320

To the Executive Council:

We have audited the accompanying financial statements of the Family and Children First Council, Preble 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 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 and Children First Council, Preble County, 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 October 29, 2008, 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

October 29, 2008



**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE 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>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Intergovernmental	\$25,681	\$75,519	\$101,200
Charges for Services	19,910	111,680	131,590
Local Agency Contributions	24,600		24,600
Total Cash Receipts	<u>70,191</u>	<u>187,199</u>	<u>257,390</u>
<b>Cash Disbursements:</b>			
Salaries	41,160		41,160
Fringe Benefits	17,203		17,203
Purchased Services/Administrative	367		367
Purchased Services/Other Agencies	4,443	193,188	197,631
Supplies & Materials	554		554
General Operating Expenses	581		581
Miscellaneous		1,125	1,125
Total Disbursements	<u>64,308</u>	<u>194,313</u>	<u>258,621</u>
Total Receipts Over/(Under) Disbursements	<u>5,883</u>	<u>(7,114)</u>	<u>(1,231)</u>
Fund Cash Balances, July 1	<u>2,989</u>	<u>37,633</u>	<u>40,622</u>
<b>Fund Cash Balances, June 30</b>	<b><u><u>\$8,872</u></u></b>	<b><u><u>\$30,519</u></u></b>	<b><u><u>\$39,391</u></u></b>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE 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>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Intergovernmental	\$25,681	\$86,329	\$112,010
Charges for Services	20,502	122,053	142,555
Local Agency Contributions	22,823		22,823
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	69,006	208,382	277,388
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Salaries	41,427		41,427
Fringe Benefits	15,621		15,621
Purchased Services/Administrative	850		850
Purchased Services/Other Agencies	11,107	223,131	234,238
Supplies & Materials	1,523		1,523
General Operating Expenses	906		906
Miscellaneous		750	750
	<hr/>	<hr/>	<hr/>
Total Disbursements	71,434	223,881	295,315
	<hr/>	<hr/>	<hr/>
Total Receipts (Under) Disbursements	(2,428)	(15,499)	(17,927)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, July 1	5,417	53,132	58,549
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, June 30</b>	<b><u><u>\$2,989</u></u></b>	<b><u><u>\$37,633</u></u></b>	<b><u><u>\$40,622</u></u></b>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Section 121.37, Revised Code, created the Ohio Family and Children First Cabinet Council and permitted counties to establish county family and children first councils. For the years ended June 30, 2008, and 2007, the Preble County Family and Children First Council, Preble County, Ohio (the Council), was an agency fund of Preble County, Ohio. 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";

**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007  
(Continued)**

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

- 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.

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 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 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.

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

**Council Membership**

The County's Council membership included Children's Services, Board of Alcohol & Drug Addiction Services, Board of Mental Health, Board of Mental Retardation and Developmental Disabilities, Board of County Commissioners, Juvenile Court, Department of Job & Family Services, General Health District, the City of Eaton, family representatives, and the educational community. The purpose of the Family & Children First Council is to identify ways in which the child serving systems can provide services to the community in the most efficient and effective manner. A Council Administrator has been hired to administer all of the Family & Children First programs. Because these programs affect all of the agencies within the Council membership, the salary of this employee is paid from a Collaborative Fee agreement derived from the agencies in the County. The salary of this employee is paid from the State Administrative grant received by the Council and pooled funding derived from each of the Council agencies in the County.

**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007  
(Continued)**

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

**Executive Council**

The Executive Council is a governing and policy making body. The Council is responsible for determining the need for staff positions pursuant to established goals, objectives, and policy statements. This committee is responsible for the creation of all standing committees and task groups of the Council.

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Fund Accounting**

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

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. All expenditures are made in accordance with an annual budget approved by the administrative body of the Council.

**2. Special Revenue Funds**

These funds were used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. During the period ending June 30, 2008 and 2007, the following programs were awarded to the Council: Help Me Grow, and Ohio Children's Trust Fund.

**D. Fiscal Agent**

Preble County Job and Family Services became the Council's administrative agent on July 1, 2006. The Preble County Auditor, Job and Family Service's fiscal agent, maintains Council's funds in a separate agency fund. The Ohio Children's Trust Fund is maintained in a separate special revenue fund.

**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007  
(Continued)**

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

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually. The Council must file the budget with Preble County Job and Family Services, the Council's fiscal agent. This budget is also presented to the Preble County Commissioners. The estimated revenues and expenditures are approved every six months.

**F. 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 statement.

**2. EQUITY IN POOLED CASH**

The Council's cash pool is maintained by the Preble County Treasurer, Job and Family Service's fiscal agent. The Ohio Revised Code prescribes allowable deposits and investments, and the Preble County Treasurer is responsible for meeting compliance. The Council's carrying amounts of cash on deposit with the Preble County Treasurer at June 30, 2008, and 2007 was \$39,391 and \$40,622 respectively.

The Preble County Treasurer, as the fiscal agent for Job and Family Services who is the fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in the Council's pooled cash and depository accounts.

**3. RISK MANAGEMENT**

The Council is covered under the Preble County Auditor's insurance policy.



# 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  
Preble County  
1500 Park Avenue  
Eaton, Ohio 45320

To the Executive Council:

We have audited the financial statements of the Family and Children First Council, Preble County, Ohio (the Council), as of and for the years ended June 30, 2008 and 2007, and have issued our report thereon dated October 29, 2008, wherein we noted the Council followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Council's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

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

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

We noted certain matters that we reported to the Council's management in a separate letter dated October 29, 2008.

Corporate Centre of Blue Ash / 11117 Kenwood Rd. / Blue Ash, OH 45242  
Telephone: (513) 361-8550 (800) 368-7419 Fax: (513) 361-8577  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

### **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 audit committee, management, and the Executive Council. 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

October 29, 2008





**Mary Taylor, CPA**  
Auditor of State

**PREBLE COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**PREBLE 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  
NOVEMBER 13, 2008**