

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2008



Mary Taylor, CPA
Auditor of State

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements: Government-wide Financial Statements:	
Statement of Net Assets – Cash Basis	9
Statement of Activities – Cash Basis	10
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances Governmental Funds.....	11
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances Governmental Funds.....	12
Notes to the Financial Statements	13
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	19

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Richland County Family and Children First Council
Richland County
445 Bowman Street
P.O. Box 1986
Mansfield, Ohio 44901

To the Members of Council:

We have audited the accompanying financial statements of the governmental activities and each major fund of the Richland County Family and Children First Council, Richland County, Ohio, (the Council) as of and for the year ended December 31, 2008, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and each major fund of the Richland County Family and Children First Council, Richland County, Ohio, as of December 31, 2008, and the respective changes in cash financial position for the General and Help Me Grow Funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2010, 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

May 14, 2010

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)

The management's discussion and analysis of the Richland County Family and Children First Council's (the "Council") financial performance provides an overall review of the Council's financial activities for the year ended December 31, 2008, within the limitations of the Council's cash basis of accounting. The intent of this discussion and analysis is to look at the Council's financial performance as a whole; readers should also review the cash-basis basic financial statements and the notes to the financial statements to enhance their understanding of the Council's financial performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

- The total net cash assets of the governmental activities decreased \$23,747, which represents a 3.73% decrease over fiscal year 2007.
- General cash receipts accounted for \$23,629 or 3.57% of total governmental activities cash receipts. Program specific cash receipts accounted for \$637,375 or 96.43% of total governmental activities cash receipts.
- The Council had \$684,751 in cash disbursements related to governmental activities; \$637,375 of these cash disbursements were offset by program specific grants or contributions.
- The Council's major funds are the General Fund and the Help Me Grow Fund. The General Fund had cash receipts of \$400,844 in 2008. The cash disbursements of the General Fund totaled \$415,439 in 2008. The General Fund's cash balance decreased \$14,595 from 2007 to 2008.
- The Help Me Grow Fund had cash receipts of \$260,160 in 2008 and cash disbursements of \$269,312. The Help Me Grow Fund's cash balance decreased \$9,152.

Using these Basic Financial Statements (BFS)

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

The Statement of Net Assets - Cash Basis and Statement of Activities - Cash Basis provide information about the activities of the whole Council, presenting both an aggregate view of the Council's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Council's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Council, the General Fund and the Help Me Grow Fund are the only two major governmental funds. The Council did not have any nonmajor governmental funds.

Reporting the Council as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets - Cash Basis and Statement of Activities - Cash Basis answer the question, "How did we do financially during 2008?" These statements include *only net assets* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)

These two statements report the Council's net assets and changes in those assets on a cash basis. This change in net cash assets is important because it tells the reader that, for the Council as a whole, the cash basis financial position of the Council has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Council's facility conditions, mandated federal and State programs and other factors.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received, but not yet paid and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the Statement of Net Assets - Cash Basis and Statement of Activities - Cash Basis, the governmental activities include the Council's programs and services including subsidy services and other community services.

The Statement of Net Assets - Cash Basis and Statement of Activities - Cash Basis can be found on pages 9-10 of this report.

Reporting the Council's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Council can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The Council has no proprietary or fiduciary funds.

Fund financial reports provide detailed information about the Council's major funds. The Council uses two funds to account for its financial transactions. The Council's only major governmental funds are the General Fund and the Help Me Grow Fund. The analysis of the Council's major governmental funds begins on page 7.

Governmental Funds

The Council's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the Council's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Council programs. Since the Council is reporting on the cash basis of accounting, there are no differences in the net assets and fund cash balances or changes in net assets and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 11-12 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-17 of this report.

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)

Government-Wide Financial Analysis

Recall that the Statement of Net Assets - Cash Basis provides the perspective of the Council as a whole.

The table below provides a summary of the Council's net cash assets for 2008 and 2007.

	Net Cash Assets	
	Governmental Activities 2008	Governmental Activities 2007
Assets		
Equity in pooled cash and cash equivalents	\$ 613,561	\$ 637,308
<u>Net Cash Assets</u>		
Restricted	\$ 5,933	\$ 11,012
Unrestricted	607,628	626,296
Total net cash assets	\$ 613,561	\$ 637,308

The total net cash assets of the Council's governmental activities decreased \$23,747 from fiscal year 2007. The balance of government-wide unrestricted net cash assets of \$607,628 may be used to meet the Council's ongoing obligations to citizens and creditors.

The table below shows the changes in net cash assets for fiscal year 2008 and 2007.

	Change in Net Cash Assets	
	Governmental Activities 2008	Governmental Activities 2007
Cash Receipts:		
Program cash receipts:		
Operating grants and contributions	\$ 637,375	\$ 640,646
General cash receipts:		
Investment receipts	23,629	30,923
Total cash receipts	661,004	671,569
Cash Disbursements:		
Subsidy services	681,569	646,273
Other community services	3,182	24,924
Total cash disbursements	684,751	671,197
Change in net cash assets	(23,747)	372
Net cash assets at beginning of year	637,308	636,936
Net cash assets at end of year	\$ 613,561	\$ 637,308

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)

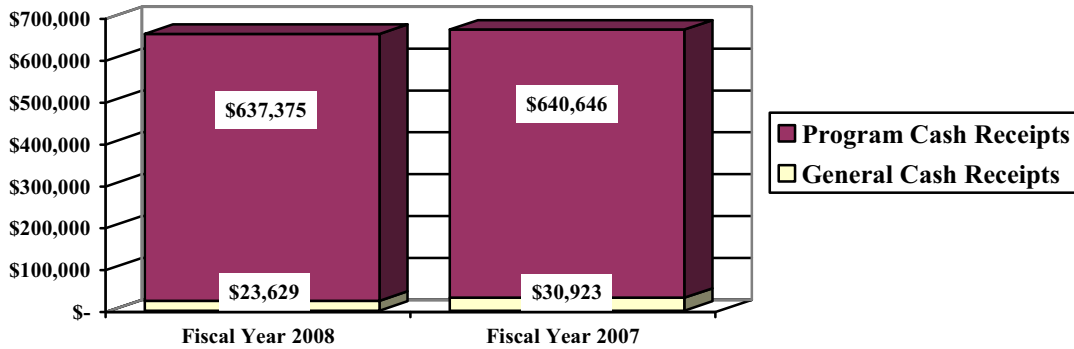
The primary sources of cash receipts for governmental activities are derived from restricted grants and entitlements. These receipt sources represent 96.43% of total governmental cash receipts.

The largest cash disbursement of the Council is for subsidy services. These cash disbursements totaled \$681,569 or 99.54% of total governmental cash disbursements for fiscal year 2008.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2008 and 2007. That is, it identifies the cost of these services supported by investment receipts.

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>
Cash disbursements:				
Subsidy services	\$ 681,569	\$ 47,200	\$ 646,273	\$ 28,029
Other community services	<u>3,182</u>	<u>176</u>	<u>24,924</u>	<u>2,522</u>
Total	<u>\$ 684,751</u>	<u>\$ 47,376</u>	<u>\$ 671,197</u>	<u>\$ 30,551</u>

Governmental Activities - General and Program Cash Receipts



Financial Analysis of the Government's Funds

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)

Governmental Funds

The Council's governmental funds are accounted for using the cash basis of accounting.

The Council's governmental funds reported a combined fund cash balance of \$613,561, which is \$23,747 below last year's total of \$637,308. The schedule on the following page indicates the fund cash balance and the total change in fund cash balance as of December 31, 2008 and 2007, for all major governmental funds.

	<u>Fund Cash Balance December 31, 2008</u>	<u>Fund Cash Balance December 31, 2007</u>	<u>(Decrease)</u>
Major Funds:			
General	\$ 611,701	\$ 626,296	\$ (14,595)
Help Me Grow	<u>1,860</u>	<u>11,012</u>	<u>(9,152)</u>
Total	<u>\$ 613,561</u>	<u>\$ 637,308</u>	<u>\$ (23,747)</u>

General Fund

The General Fund had cash receipts of \$400,844 in 2008. The cash disbursements of the General Fund, totaled \$415,439 in 2008. The General Fund's cash balance decreased \$14,595 from 2007 to 2008.

Help Me Grow Fund

The Help Me Grow Fund, a Council major fund had cash receipts of \$260,160 in 2008. The Help Me Grow Fund had cash disbursements of \$269,312 in 2008. The Help Me Grow Fund cash balance decreased \$9,152 from 2007 to 2008.

Capital Assets and Debt Administration

Capital Assets

The Council does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The Council had no capital outlay disbursements during fiscal year 2008.

Debt Administration

The Council had no long-term debt obligations outstanding at December 31, 2008 and 2007.

Current Financial Related Activities

The Council is reviewed by its members and the community to determine how they can realize efficiency and service gap filling. Agencies are challenged to improve the way services are delivered by striving towards a seamless service delivery system. The Council is constantly assessing needs of its members and acting to facilitate the provision of services cost-effectively.

Contacting the Council's Financial Management

This financial report is designed to provide our citizens with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have questions about this report or need additional financial information, contact James Lehmann, Treasurer, Mansfield City School District, 124 North Linden Road, Mansfield, Ohio 44906.

This page intentionally left blank.

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2008

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents.	\$ 613,561
Net cash assets:	
Restricted for:	
State and federally funded programs	\$ 5,933
Unrestricted	607,628
Total net cash assets	\$ 613,561

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Cash Disbursements</u>	<u>Program Cash Receipts</u>	<u>Net (Cash Disbursements) Cash Receipts and Changes in Net Cash Assets</u>
		<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:			
Subsidy services.	\$ 681,569	\$ 634,369	\$ (47,200)
Other community services.	3,182	3,006	(176)
Totals	<u>\$ 684,751</u>	<u>\$ 637,375</u>	<u>(47,376)</u>
General Receipts:			
Investment receipts			<u>23,629</u>
Change in net cash assets.			(23,747)
Net cash assets at beginning of year.			<u>637,308</u>
Net cash assets at end of year			<u>\$ 613,561</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	General	Help Me Grow	Total Governmental Funds
Cash assets:			
Equity in pooled cash and cash equivalents	\$ 611,701	\$ 1,860	\$ 613,561
Fund cash balances:			
Unreserved, undesignated, reported in:			
General fund.	\$ 611,701	\$ -	\$ 611,701
Special revenue funds	-	1,860	1,860
Total fund cash balances	\$ 611,701	\$ 1,860	\$ 613,561

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>General</u>	<u>Help Me Grow</u>	<u>Total Governmental Funds</u>
Cash receipts:			
Federal receipts.	\$ -	\$ 133,304	\$ 133,304
State receipts.	27,132	126,856	153,988
Local agency receipts.	350,083	-	350,083
Earnings on investments.	23,629	-	23,629
Total cash receipts	<u>400,844</u>	<u>260,160</u>	<u>661,004</u>
 Cash disbursements:			
Subsidy services.	413,588	267,981	681,569
Other community services.	1,851	1,331	3,182
Total cash disbursements	<u>415,439</u>	<u>269,312</u>	<u>684,751</u>
 Net change in fund cash balances.	(14,595)	(9,152)	(23,747)
 Fund cash balances at beginning of year.	<u>626,296</u>	<u>11,012</u>	<u>637,308</u>
Fund cash balances at end of year	<u>\$ 611,701</u>	<u>\$ 1,860</u>	<u>\$ 613,561</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 1 - DESCRIPTION OF THE COUNCIL

Ohio Revised Code Section 121.37, 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 job and family services;
- d. The executive director of the county agency responsible for the administration of children service pursuant to Ohio Revised Code Section 5153.15;
- e. The superintendent of the county board of developmental disabilities;
- f. The county's juvenile court judge senior in service or another judge of the juvenile court designated by the administrative judge or, where there is no administrative judge, by the judge senior in service;
- 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 Ohio Revised Code Section 3301.31;
- 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 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; and,

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

NOTE 1 - DESCRIPTION OF THE COUNCIL - (Continued)

- o. 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.

A county family and children first 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 county wide, 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; and,
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.B., these financial statements for the Richland County Family and Children First Council (the "Council") are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In cases where these cash basis statements contain items that are the same as, or similar to, those items in the financial statements prepared in conformity with GAAP, similar informative disclosures are provided. Following are the more significant of the Council's accounting policies:

A. Reporting Entity

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

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Basis of Accounting

The Council's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Council's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in this paragraph.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received, but not yet paid and accrued expenses and liabilities) are not recorded in these financial statements.

C. Fund Accounting

The Council uses funds to maintain its financial records during the year. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts. The Council reports only governmental funds.

Governmental Funds - The Council classifies funds financed primarily from intergovernmental receipts (e.g. grants) and other nonexchange transactions as governmental funds. The following are the Council's major governmental funds:

General - The General Fund is the operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund.

Help Me Grow - This fund receives federal, state and local funds to implement and maintain a coordinated, community-based infrastructure that promotes trans-disciplinary, family-centered services for expectant parents, newborns, infants and toddlers and their families.

D. Basis of Presentation and Measurement Focus

Government-wide Statement of Activities - Cash Basis - This statement displays information about the Council as a whole. The government-wide statement of activities - cash basis compares disbursements with program receipts for each function or program of the Council's governmental activities. These disbursements are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program receipts include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Council. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on the cash basis or draws from the general receipts of the Council.

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fund Financial Statements - Fund financial statements report detailed information about the Council. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

E. Budgetary Process

The Ohio Revised Code Section 121.37 (B)(4) requires the Council to file an annual budget with its administrative agent. An annual budget that followed the calendar fiscal year was not approved and filed for fiscal year 2008. However, a budget was prepared and filed based on the administrative agency's fiscal year.

F. Administrative/Fiscal Agent

Section 121.37 (B)(4) of the Ohio Revised Code, requires each county council to designate an administrative agent for the council. The Mansfield City School District (the "School District") serves as the Richland County Family and Children First Council's administrative agent. The School District maintains the Council as an agency fund on their financial records. The administrative agent agrees to:

1. Serve as the Council's appointing authority;
2. Exercise spending authority within the limits of the annual budget developed and approved by the Council; and,
3. Perform the following on behalf of Council; but only upon the expressed approval of and direction by Council;
 - Enter into written agreements or administer contracts with public or private entities to fulfill specific Council business.
 - Provide financial stipends, reimbursements or both to family representatives for expenses related to Council activity.
 - Receive by gift, grant, devise or bequest any moneys, land or other property for the purposes for which the Council is established.

G. Capital Assets

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

H. Net Assets

Net assets are reported as restricted when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use. The Council had no net assets restricted by enabling legislation.

The Council applies restricted resources first when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Contracted Services

The Council director and assistant of the Council are paid employees of Mansfield City School District, although the Council reimburses the cost of their payroll to the School District. The funds used to pay their salaries are derived from a State administrative grant and local agency membership contributions received by the Council and maintained in the School District's agency fund.

NOTE 3 - EQUITY IN POOLED CASH

The Mansfield City School District maintains a depository which includes the funds of the Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the fiscal agent at December 31, 2008, was \$613,561. The fiscal agent for the Council is responsible for maintaining adequate depository collateral for all funds in the School District's investment accounts.

NOTE 4 - CONTINGENT LIABILITIES

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

This page intentionally left blank.



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*

Richland County Family and Children First Council
Richland County
445 Bowman Street
P.O. Box 1986
Mansfield, Ohio 44901

To the Members of Council:

We have audited the financial statements of the governmental activities and each major fund of the Richland County Family and Children First Council, Richland County, Ohio, (the Council) as of and for the year ended December 31, 2008, which collectively comprise the Council's basic financial statements and have issued our report thereon dated May 14, 2010 wherein we noted the Council follows the cash basis of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We intend this report solely for the information and use of management, Members of the Council, and others within the 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

May 14, 2010



Mary Taylor, CPA
Auditor of State

FAMILY AND CHILDREN FIRST COUNCIL

RICHLAND 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
JULY 1, 2010**