

Summit County Children Services

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Financial Statements

***For the Year Ended
December 31, 2009***



Mary Taylor, CPA
Auditor of State

Board of Trustees
Summit County Children Services Board
264 South Arlington Street
Akron, Ohio 44306

We have reviewed the *Independent Auditor's Report* of the Summit County Children Services Board, Summit County, prepared by Rea & Associates, Inc., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Summit County Children Services Board is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 2, 2010

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SUMMIT COUNTY CHILDREN SERVICES

For The Year Ended December 31, 2009
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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

June 28, 2010

To the Board of Trustees
Summit County Children Services
264 South Arlington Street
Akron, OH 44306

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Summit County Children Services (SCCS), as of and for the year ended December 31, 2009, which collectively comprise the SCCS's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the SCCS' 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 opinions.

As discussed in Note 1, the financial statements of SCCS, are intended to present the financial position, and the changes in financial position of only that portion of the governmental activities, each major fund and the aggregate remaining fund information of Summit County, Ohio that is attributable to the transactions of SCCS. They do not purport to, and do not, present fairly the financial position of Summit County, Ohio, as of December 31, 2009, and the changes in its financial position for the year then ended in conformity with 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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Summit County Children Services, as of December 31, 2009, and the respective changes in financial position, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2010, on our consideration of the Summit County Children Services' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 9 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Hea & Associates, Inc.

SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED

Management's Discussion and Analysis

The management of Summit County Children Services (SCCS), a special revenue fund of the County of Summit, is presenting an overview of SCCS's financial activities for the year ended December 31, 2009, in addition to the audited financial statements. This additional information is being provided to meet certain disclosure requirements of the Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. The Independent Auditor's Report, the Basic Financial Statements, Notes to the Basic Financial Statements and Supplementary Information should be read in conjunction with the following discussion. Prior year information is provided when available and applicable.

Financial Highlights

- The primary source of revenues for SCCS is the 2.25 mill levy approved by Summit County residents in 2007 replacing a 2.56 mill levy originally approved in 1999
- 2009 reflects the second year of a six year levy collections
- The replacement levy provided \$24.6 million revenues (cash basis) in 2009
- Remaining revenues (cash basis) received in 2009: Federal \$15.3 million and State \$6.1 million
- For children eligible to receive such funds, the American Recovery and Reinvestment Act (ARRA) of 2009 Stimulus Funds provided \$566,019 related to Title IV-E
- During 2009, SCCS increased the Fund Balance by \$2.1 million
- Total Net Assets increased during 2009 by \$2.8 million

Overview of the Basic Financial Statements

Management's Discussion and Analysis is intended to serve as an introduction to SCCS's basic financial statements. SCCS is a special fund of the County of Summit; therefore, the statements and discussion focus on the portion of funds and transactions of SCCS and are intended to emphasize SCCS's overall financial status. The Basic Financial Statements are intended to provide a broad overview of SCCS's activities and offer short and long term financial information.

SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED

Basic Financial Statements

The Statement of Net Assets is based upon the principles of the Governmental Accounting Standards Board using accrual basis of accounting and these statements are similar to other governmental units. The Statement of Net Assets provides information about all of SCCS's assets and liabilities as of December 31, 2009. Changes in net assets will serve as a useful indicator of the financial health of SCCS. Tracking changes in net assets will indicate improvement or deterioration when taking into account other non-financial factors, i.e. changes in real estate tax valuations, number of referrals made to SCCS, continued levy support, etc. Since SCCS is a special fund of the County of Summit, all of its assets and liabilities are reported as Governmental Activities and are divided into the following categories:

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)

The Statement of Activities illustrates how the services provided by SCCS were financed as well as what dollars remain for future spending. The Statement of Activities is divided into the following categories:

- Program Expenses
- Program Revenues
- General Revenues
- Change in Net Assets
- Net Assets at the Beginning of the Year
- Net Assets at the End of the Year

SCCS's Balance Sheet as of December 31, 2009 reports all current assets and current liabilities for the total Governmental Fund. The report is based upon modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash and therefore excludes fixed assets as well as long-term liabilities. The Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance SCCS's services and programs. The Balance Sheet is divided into the following categories:

- Assets
- Liabilities
- Fund Balances

SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
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Table 1 is a summary of the Total Net Assets for SCCS. Total Net Assets increased by \$2,802,207 or 5.8 percent during 2008. The more significant changes from 2008 to 2009 and some items of interest during 2009 with a financial impact on the Net Assets are listed:

- Due from Other Governments increased \$2,274,876 from 2008, due to a late receipt of the fourth quarter reimbursement for Title IV-E Administration dollars, received in January 2010. In addition, Due from Other Governments increased \$541,666 due to the recognition of the reimbursement of several expenditures for the fourth quarter, 2009, received in April, 2010. The Taxes Receivable increased by \$655,568. The House Bill 66 phase out of the Tangible Personal Property Taxes continues to reduce local tax receipts and increase the state portion or inter governmental receipts.
- Restricted Net Assets increased from 2008. The Restricted Net Assets relate to the funds donated to SCCS. During 2009, SCCS experienced a decrease in donated funds and a larger decrease in expenses as well. At the same time, the interest rates and the related accrued interest and unrealized gain also decreased. The combination of factors increased the Net Assets by \$51,479 or 17.6%.

SCCS has no long-term debt related to its asset holdings.

Table 1
Net Assets
(In Thousands of Dollars)

	2009	2008	Governmental Activities Dollar Change	Percentage Change
Assets				
Current and Other Assets	\$70,533	\$67,500	\$3,033	4.5%
Capital Assets, Net	10,923	11,174	(251)	(2.2%)
Total Assets	\$81,456	\$78,674	\$2,782	3.5%
Liabilities				
Current and Other Liabilities	27,636	27,792	(156)	(0.6%)
Long-Term Liabilities	2,765	2,630	135	5.1%
Total Liabilities	\$30,401	\$30,422	(\$21)	(0.1%)
Net Assets				
Invested in Capital Assets	10,923	11,174	(251)	(2.2%)
Restricted	2,088	2,036	52	2.6%
Unrestricted	38,044	35,043	3,001	8.2%
Total Net Assets	\$51,055	\$48,253	\$2,802	5.8%

SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
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Table 2 is a summary of the Changes in Net Assets for SCCS. Total Revenues have slightly decreased by \$39,546 or 0.1 percent from the prior year. SCCS has been able to continue to take advantage of several State and Federal grants as they become available to fund programs and services offered by SCCS. SCCS is also fortunate to be supported by the local community through the passage of the real estate tax levy and the donations made to SCCS in support of its programs. The larger changes in the revenue stream include:

- Operating Grants and Contributions decreased \$1,037,753 from 2008 to 2009. This decrease was due to reductions in some new state grants.
- Property Tax Revenues increased by \$659,459 or 2.7% during the second year of a levy passed in 2007.
- Expenditures remained relatively flat from 2008 to 2009, decreasing by \$1,480,971 or 2.9%, which included employee salary and benefits, paid placements, foster care, adoption, and medical expenses for the children under care. During 2009, the social services focus shifted, when needed, to place children in a relative/kinship home over a foster home or paid placement setting. The budget savings in 2009 was \$1,829,058.

Table 2
Net Assets
(In Thousands of Dollars)

	2009	2008	Dollar Change	Percentage Change
Revenues				
Program Revenues				
Charges for Services	\$6,133	\$6,185	(\$52)	(0.8%)
Operating Grants and Contributions	15,798	16,835	(1,038)	(6.2%)
General Revenues				
Property Taxes	24,689	24,030	659	2.7%
Grants and Entitlements, not Restricted	6,112	5,444	668	12.3%
Investment Earnings	6	102	(96)	(93.9%)
Miscellaneous	171	352	(180)	(51.3%)
Total Revenues	<u>\$52,909</u>	<u>\$52,948</u>	<u>(\$40)</u>	<u>(0.1%)</u>
Expenditures				
Human Services	50,107	51,587	(1,481)	(2.9%)
Increase in Net Assets	<u>\$2,802</u>	<u>\$1,361</u>	<u>\$1,441</u>	<u>105.9%</u>

SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
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Budgeting Highlights

As a special revenue fund of the County of Summit, the SCCS budget is included in the County of Summit budgeting and reporting. SCCS's internal budgeting process is detailed in the Notes to the Basic Financial Statements Number 2E, "Budgetary Data".

The 2010 budget includes projected revenues of \$51,005,000, 58% of which are levy revenues. It includes expenditures of \$57,692,000, \$11,985,000 for placement expenditures and \$31,454,000 for payroll and benefits including a three year early retirement incentive plan offered to eligible employees.

The budget includes a comprehensive spending reduction plan to best position the SCCS during the current levy period and beyond. The details of the plan thus far include:

- An early retirement incentive program (three year OPERS service credit buyout) with an anticipated eligibility window of February 1, 2010 through January 31, 2011.
- Restructuring of Social Services to strengthen the core/mandated service areas of Intake and Protective Services and enhance our family centered services.
- The Permanency and Placement Departments will be merged.
- Social Service staff will be reassigned from the non-mandated areas of Kinship Care and Foster Care to Intake and Protective Services. This will reduce the ratio of supervisor/worker and reduce caseloads in both areas. Foster care licensing and re-certifications will be purchased from external providers.
- Visitation Services will be purchased from an external provider for 18-24 months to afford transition time for the workers to begin to conduct visits with their own client families.
- The SCCS Clinic services are no longer being directly provided by SCCS as of April 1, 2010. Service has transitioned to Akron Children's Hospital.

In addition, to the changes outlined above, 12.5 non casework positions have been eliminated through attrition in the 2010 budget.

Offsetting these cost saving measures are expected fringe benefit increases, including 10% for health care, contract negotiated salary increases in 2010 of 3% and 2% thereafter. Reductions in placement costs and all other areas have also been included.

SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
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Capital Assets

At December 31, 2009, SCCS had \$10,922,865 invested in capital assets as detailed in Table 3. There was a \$250,857, or 2.2 percent decrease from December 31, 2008. The largest decrease, in all categories, except land, was related to the depreciation expense of \$466,095. The asset category titled Land Improvements was created due to a purchase of fencing in 2008 and 2009. Equipment purchases during 2009 included additional security for the facility as well as backup computer hardware for the computer system. In addition, four vehicles were auctioned from the SCCS fleet and only two were replaced. The Construction in Progress remains unchanged although the plans for the construction for a Visitation Center have been placed on hold in consideration of funding and prioritization of needs.

Table 3
Capital Assets at Year End
(Net of Depreciation)

	2009	2008	Dollar Change	Percentage Change
Capital Assets:				
Land	\$1,288,532	\$1,288,532	\$0	0.0%
Land Improvements	65,409	7,280	58,129	798.5%
Buildings	9,216,362	9,610,511	(294,149)	(4.1%)
Machinery and Equipment	123,414	61,893	61,521	99.4
Vehicles	54,090	30,448	23,642	77.6%
Construction in Progress	175,058	175,058	0	0.0%
Total Capital Assets at Year End	<u>\$10,922,865</u>	<u>\$11,173,722</u>	<u>(\$250,857)</u>	(2.2%)

See Note 7 for additional information on Capital Assets.

SCCS has no long-term debt related to its asset holdings.

SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
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Economic Factors

Summit County Children Services continues to receive strong support from the residents of Summit County. The SCCS relies heavily on its local property tax levy passed in 2007 for the six year period 2008-2013. The 2.25 mill levy passed in 2007 generates \$30 million dollars per year and costs a homeowner with a residence of \$100,000 \$68.91 per year. In compliance with the levy plan, SCCS is spending down the cash reserve through routine operations during this period. Other federal and state revenue sources provide the additional support for SCCS services. Collections are hampered by the economic downturn resulting in high unemployment, increased foreclosure and delinquency rates, declining property values and the phase out of the tangible personal property tax.

Since the development of the six year levy plan and the levy passage a number of unanticipated changes have occurred. Among these are reductions of \$2.1 Million from the State of Ohio since 2009 and projected annually through 2013. The most significant is a 20% reduction in Child Protective Allocation (\$800,000), Adoption Subsidies (\$400,000), Kinship Permanency Incentive (\$ 250,000) and the loss of AdoptOhio and Multi Ethnic Placement grants (\$250,000). On a positive note, the American Recovery and Reinvestment act has resulted in a temporary increase in funding for the SCCS's care of Title IV-E eligible children in its custody. This funding was enacted retroactively to October 1, 2008 and will continue through December 31, 2010.

A weak outlook in terms of future state funding could possibly worsen during the current state budget cycle and again in 2011. One of the real strengths of levy planning is that it provides the opportunity for long-term planning. In this instance, the current levy expires at the end of 2013. In reviewing budget projections consideration was given to considering projections through the end of the levy period, and the resulting levy request necessary to maintain spending levels into the subsequent levy period. It was concluded that continuing at current spending levels and transferring the State and other revenue cuts to the levy would require a request of the Summit County voters of well in excess of three mills up from the original millage of 2.25 mills. Such a request is considered a very high risk especially when considering overall economic conditions.

Contacting SCCS's Financial Management

This financial report is designated to provide our citizens, taxpayers, investors and creditors with a general overview of SCCS's finances and to show SCCS's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Director of Finance, Summit County Children Services, 264 South Arlington Street, Akron, OH 44306-1399.

Summit County Children Services
Summit County
Statement of Net Assets
December 31, 2009

	<u>Governmental Activities</u>
Assets	
Current Assets:	
Equity in Pooled Cash, Cash Equivalents and Investments	\$32,964,535
Cash and Cash Equivalents in Segregated Accounts	79,477
Segregated Investment Accounts	2,000,476
Receivables	
Taxes	27,128,018
Accounts	36,258
Accrued Interest	8,356
Due from County Funds	32,357
Due from Other Governments	8,138,740
Prepaid Items	144,653
Non-Current Assets:	
Non-Depreciable Capital Assets	1,463,590
Depreciable Capital Assets, Net	<u>9,459,275</u>
<i>Total Assets</i>	<u>81,455,735</u>
Liabilities	
Current Liabilities:	
Accounts Payable	1,835,094
Accrued Wages Payable	670,298
Due to Other Governments	118,512
Deferred Revenue - Taxes	24,656,787
Due to County Funds	355,689
Non-Current Liabilities:	
Compensated Absences Payable	<u>2,764,821</u>
<i>Total Liabilities</i>	<u>30,401,201</u>
Net Assets	
Invested in Capital Assets	10,922,865
Restricted	
Donated Funds	2,088,309
Unrestricted	<u>38,043,360</u>
<i>Total Net Assets</i>	<u><u>\$51,054,534</u></u>

See accompanying notes to the basic financial statements.

Summit County Children Services
Summit County
Statement of Activities
For the Year Ended December 31, 2009

Function / Program	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
Governmental Activities				
General Government				
Human Services	\$50,106,512	\$6,132,846	\$15,797,706	(\$28,175,960)
<i>Total Governmental Activities</i>	<u>\$50,106,512</u>	<u>\$6,132,846</u>	<u>\$15,797,706</u>	<u>(28,175,960)</u>
General Revenues				
Property Taxes Levied for General Purposes				24,689,151
Grants and Entitlements Not Restricted				6,111,609
Investment Earnings				6,203
Miscellaneous				<u>171,204</u>
<i>Total General Revenues</i>				30,978,167
Change in Net Assets				2,802,207
Net Assets Beginning of Year				<u>48,252,327</u>
Net Assets End of Year				<u>\$51,054,534</u>

See accompanying notes to the basic financial statements.

Summit County Children Services
Summit County
Balance Sheet
Governmental Funds
December 31, 2009

	<u>Major Fund</u> General Fund	<u>Non-Major Fund</u> Donated Funds	<u>Total</u> Governmental Funds
Assets			
Equity in Pooled Cash, Cash Equivalents and Investments	\$32,964,535	\$0	\$32,964,535
Cash and Cash Equivalents in Segregated Accounts	0	79,477	79,477
Segregated Investment Accounts	0	2,000,476	2,000,476
Receivables			
Taxes	27,128,018	0	27,128,018
Accounts	36,258	0	36,258
Accrued Interest	0	8,356	8,356
Due from County Funds	32,357	0	32,357
Due from Other Governments	8,138,740	0	8,138,740
Prepaid Items	144,653	0	144,653
	<u> </u>	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>\$68,444,561</u>	<u>\$2,088,309</u>	<u>\$70,532,870</u>
Liabilities			
Accounts Payable	\$1,835,094	\$0	\$1,835,094
Accrued Wages Payable	670,298	0	670,298
Due to Other Governments	118,512	0	118,512
Deferred Revenue - Taxes	27,128,018	0	27,128,018
Deferred Revenue - Other	2,159,969	0	2,159,969
Due to County Funds	355,689	0	355,689
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u>32,267,580</u>	<u>0</u>	<u>32,267,580</u>
Fund Balances			
Reserved:			
Reserved for Encumbrances	3,259,752	0	3,259,752
Reserved for Prepaid Items	144,653	0	144,653
Unreserved reported in:			
General Fund	32,772,576	0	32,772,576
Special Revenue Fund	0	2,088,309	2,088,309
	<u> </u>	<u> </u>	<u> </u>
<i>Total Fund Balances</i>	<u>36,176,981</u>	<u>2,088,309</u>	<u>38,265,290</u>
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities and Fund Balances</i>	<u>\$68,444,561</u>	<u>\$2,088,309</u>	<u>\$70,532,870</u>

See accompanying notes to the basic financial statements.

Summit County Children Services
Summit County
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2009

Total Governmental Funds Balances		\$38,265,290
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		10,922,865
Other long-term liabilities are not available to pay for the current period expenditures and therefore are deferred in the fund:		
Taxes	2,471,231	
Intergovernmental	<u>2,159,969</u>	
Total		4,631,200
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds		
Compensated Absences		<u>(2,764,821)</u>
<i>Net Assets of Governmental Activities</i>		<u><u>\$51,054,534</u></u>

See accompanying notes to the basic financial statements.

Summit County Children Services
Summit County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	Major Fund General Fund	Non-Major Fund Donated Funds	Total Governmental Funds
Revenues			
Property and Other Taxes	\$24,116,469	\$0	\$24,116,469
Charges for Services	6,132,846	0	6,132,846
Intergovernmental	21,353,317	0	21,353,317
Interest	0	6,203	6,203
Other	124,452	46,752	171,204
<i>Total Revenues</i>	<u>51,727,084</u>	<u>52,955</u>	<u>51,780,039</u>
Expenditures			
Human Services	49,616,192	104,434	49,720,626
<i>Total Expenditures</i>	<u>49,616,192</u>	<u>104,434</u>	<u>49,720,626</u>
<i>Net Change in Fund Balance</i>	2,110,892	(51,479)	2,059,413
<i>Fund Balance Beginning of Year</i>	<u>34,066,089</u>	<u>2,139,788</u>	<u>36,205,877</u>
<i>Fund Balance End of Year</i>	<u><u>\$36,176,981</u></u>	<u><u>\$2,088,309</u></u>	<u><u>\$38,265,290</u></u>

See accompanying notes to the basic financial statements.

Summit County Children Services
Summit County
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balance of the Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2009

Net Change in Fund Balances - Total Government Funds \$2,059,413

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceed capital outlays in the current period.

Fixed Asset Additions	215,238	
Current Year Depreciation	(466,095)	
		(250,857)
Total		

Revenues in the Statement of Activities that do no provide current financial resources are not reported as revenues in the funds:

Property Taxes	572,682	
Intergovernmental Revenue	555,998	
		1,128,680
Total		

Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences		(135,029)

Change in Net Assets of Governmental Activities \$2,802,207

See accompanying notes to the basic financial statements.

Summit County Children Services
Summit County
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Total	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$27,255,646	\$27,255,646	\$27,232,670	(\$22,976)
Charges for Services	5,764,886	5,764,886	5,498,433	(266,453)
Intergovernmental	17,507,306	17,507,306	16,699,049	(808,257)
Other	88,798	88,798	84,801	(3,997)
Total Revenues	50,616,636	50,616,636	49,514,953	(1,101,683)
Expenditures				
Personal Services	20,370,810	20,370,810	19,915,789	455,021
Benefits	6,985,890	7,065,890	6,975,925	89,965
Supplies	796,460	981,386	726,434	254,952
Materials	41,400	47,186	19,082	28,104
Travel	745,560	900,469	829,733	70,736
Contract Services	23,910,910	28,980,712	24,124,863	4,855,849
Other	1,274,790	1,657,596	1,056,838	600,758
Medical Expenses	645,340	927,878	627,596	300,282
Equipment	736,660	1,068,350	879,789	188,561
Total Expenditures	55,507,820	62,000,277	55,156,049	6,844,228
(Deficiency) of Revenues (Under) Expenditures	(4,891,184)	(11,383,641)	(5,641,096)	5,742,545
Other Financing Sources				
Other Financing Sources	7,010	7,010	8,214	1,204
Total Other Financing Sources	7,010	7,010	8,214	1,204
Net Change in Fund Balance	(\$4,884,174)	(\$11,376,631)	(\$5,632,882)	\$5,743,749
Fund Balance at Beginning of Year	25,617,982	25,617,982	25,617,982	0
Prior Year Encumbrances Appropriations	6,492,457	6,492,457	6,492,457	0
Fund Balance at End of Year	\$27,226,265	\$20,733,808	\$26,477,557	\$5,743,749

See accompanying notes to the basic financial statements.

**Children Services
Summit County
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2009**

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents - Segregated Accounts	<u>\$132,640</u>
Total Assets	<u><u>\$132,640</u></u>
Liabilities	
Held in Trust for the Benefit of the Children	<u>\$132,640</u>
Total Liabilities	<u><u>\$132,640</u></u>

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 1 – REPORTING ENTITY

The Summit County Children Services, Summit County, Ohio (SCCS) was created to represent the community's interest in the well being of its abused, neglected and dependent children. Pursuant to Section 5153 of the Ohio Revised Code, the Board is the single agency of county government mandated to investigate, care for and/or provide services to children from birth to age eighteen or twenty-one years and who are found to be in a potentially harmful situation. Such services are provided to the family and relatives of the children and may also extend to adults who have graduated from the care of SCCS. SCCS is located in Akron, County of Summit, in northeastern Ohio.

The Board of SCCS consists of eleven members, ten members are appointed by the County Executive and approved by the County Council and one member is the Chairperson of the Citizens Advisory Committee. Members are appointed to serve four-year terms. Members represent various roles in the community.

The mission of SCCS is to excel in the investigation of reports of child abuse and neglect and in the delivery of culturally sensitive, collaborative protective services that provide children with a safe, nurturing and permanent home.

The County of Summit is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the Constitution and laws of the State of Ohio. The County was formed by an enabling act of the Ohio State Legislature in 1840. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, the County of Summit's financial statements include all organizations, activities and functions which comprise the primary government and those legally separate entities for which the County is financially accountable. Financial accountability is defined as the appointment of a voting majority of the unit's board and either 1) the County's ability to impose its will over the unit; or 2) the possibility that the unit will provide financial benefit or impose a financial burden to the County. SCCS is not a legally separate entity. SCCS is part of the primary government of the County of Summit and is reported by the County as a special revenue fund. SCCS does not include any other units in its presentation.

As counties are structured in Ohio, the County Fiscal Officer serves as Auditor and Treasurer. The Fiscal Officer certifies the availability of cash and appropriations prior to the processing of payments and as the custodian of County funds, invests public monies held on deposit in the County treasury.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Children Services have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

Government-Wide Financial Statements – The Statement of Net Assets and the Statement of Activities display information about SCCS as a whole. These statements include the financial activities of the SCCS, except for fiduciary funds. SCCS had no business-type activities during the year ended December 31, 2009.

The Statement of Net Assets presents the financial condition of the governmental activities of SCCS at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of SCCS's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of SCCS, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of SCCS.

Fund Financial Statements – Fund financial statements are designed to present financial information of SCCS at a more detailed level. The focus of governmental 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. Fiduciary Funds are reported by fund type.

B. Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equity or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. SCCS uses a governmental fund to account for its activities.

Governmental Fund Types

Governmental funds are those which most governmental functions typically are financed. The acquisition, use and balance of SCCS's expendable financial resources and the related current liabilities are accounted for through governmental funds. The measurement focus is based upon determination of financial position and changes in financial position. Under this focus, only the sources, uses and balances of current expendable financial resources are accounted for in the funds. SCCS maintains a general fund, a special revenue fund, and a fiduciary fund.

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General – This fund accounts for the general operating revenues and expenditures of SCCS and is available to SCCS for any purpose as allowed within the general laws of Ohio. The primary revenue sources are property taxes, charges for services, and intergovernmental revenues.

Donated Funds – This fund accounts for dollars donated to SCCS for a specified purpose or for the use of SCCS for the benefit of the children. Donated Funds are used in areas not allowable within the General Fund but may be used for the betterment of children under care or to enhance the child's life experiences and improve the child's well being. Examples include, but not limited to, holiday activities, extra curricular activities and educational enhancement purposes.

Fiduciary Fund Types

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund categories include the following classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. SCCS maintains one agency fund. Agency funds are custodial in nature and do not involve measurement of results of operations, therefore, assets equal liabilities. SCCS' agency fund collectively accounts for monies held by individual children and is available as needed by the child or is transferred to the child/guardian upon emancipation.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statement is prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of SCCS are included on the Statement of Net Assets. The Statement of Activities present increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

Fund Financial Statement

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet.

The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources and the uses of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financials are prepared. Governmental fund financial statements include reconciliation, with brief explanations, to better identify the relationship between the government-wide statements and the statement for governmental funds.

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "Available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For SCCS, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which SCCS receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which SCCS must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to SCCS on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: grants and interest.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2009, but which were levied to finance year 2010 operations, have been recorded as deferred revenue.

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenditures

On the accrual basis of accounting, expenditures are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgetary Data

SCCS is required by state law to adopt annual budgets for its General Fund. The Summit County Council adopts an appropriations budget by January 1st of a given year or adopts a temporary appropriation measure with final passage of a permanent budget by April 1st. Budgets are adopted by major expenditure and revenue category. Donated Funds are not a part of the General Fund and therefore are not required by the ORC to have an annual budget.

Each department and program director of SCCS assists in preparation of a budget request in conjunction with the Fiscal Department. The budget is reviewed and revised as necessary by the Executive Director and Executive Council and presented to the Resources Committee of the Board. The Resources Committee makes a recommendation to the Board of Directors for approval. The program budget is then submitted to the Department of Finance and Management of the County for review by the Social Service Advisory Board. The Social Service Advisory Board is committee of citizens appointed by the County Executive. The committee makes a recommendation to County Council for adoption.

Modifications and amendments (if any), throughout the year, to the original budget must be processed by the Fiscal Department of SCCS. Major modifications are processed through the Department of Finance and Management of the County and approved by the Board of Trustees and also through legal resolution by County Council. Each budgetary statement includes all modifications and supplemental appropriations that were necessary during the year. The County maintains budgetary control by fund, function, organizational unit and object-class and does not permit expenditures and encumbrances to exceed appropriations. Unencumbered and unexpended appropriations lapse at year end in all annually budgeted funds.

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

SCCS’s budgetary process accounts for certain transactions on a budgetary basis instead of a GAAP basis. The major differences between the budget basis and the GAAP basis are that revenues are recorded when actually received (budget) as opposed to when susceptible to accruals (GAAP) and expenditures are recorded when paid (budget) as opposed to when incurred (GAAP). Additionally, SCCS reflects outstanding encumbrances as expenditures on the budgetary basis. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

The actual results of operations compared to the revised appropriations for annually budgeted governmental funds are presented in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis) – General Fund.

The adjustments necessary to convert the results of operation for the year from the Non-GAAP Budget Basis to the GAAP Basis for the General Fund is as follows:

Net Change in Fund Balance	
	General Fund
Non-GAAP Budget Basis	(\$5,632,882)
Net Adjustment for Revenue Accruals	2,203,917
Net Adjustment for Expenditure Accruals	251,722
Net Adjustment for Encumbrances	5,288,135
GAAP Basis	\$2,110,892

F. Cash, Cash Equivalents and Investments

Except for the Donated Funds and the Children Savings Funds, all moneys of SCCS are paid into the County treasury. It is pooled and invested in short-term investments by the Summit County Fiscal Officer in order to provide improved cash management. Individual fund integrity is maintained through the County’s financial records. Investments are stated at fair value as of December 31, 2009. For presentation on the Balance Sheet, investments with original maturities of three months or less are considered to be cash and cash equivalents.

Interest allocation is determined by the Ohio Constitution, state statutes and debt indentures. Under these provisions, the interest earned on SCCS’s funds is included in the General Fund of the County, except for the interest received on the Donated Funds and the Children Savings Funds, which is received and reported within those funds.

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Prepaid Items

Payments to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

H. Capital Assets and Depreciation

Building, machinery and equipment is stated on the basis of historical cost or, if contributed, at fair market value at the date received. In cases where information supporting original costs is not available, estimated historical costs are developed with the use of an independent appraisal report. All capital assets which are acquired or constructed for general governmental purposes are reported as expenditures in the fund that finances the asset acquisition and are capitalized (recorded and accounted for). The SCCS maintains a capitalization threshold of five-thousand dollars.

Depreciable assets include “Buildings and Building Improvements”, “Machinery and Equipment” and “Vehicles”. Assets under the classification “Land” and “Construction in Progress” are not depreciated and are reported as “Non-Depreciable” on the Statement of Net Assets. For assets listed as “Depreciable”, depreciation is estimated and expensed on the Statement of Activities. For depreciation purposes, SCCS is using the American Hospital Association’s “Estimated Useful Lives of Depreciable Hospital Assets” to estimate the useful lives of assets owned by SCCS. These useful lives are as follows:

Buildings and Building Improvements	10 – 40 years
Machinery and Equipment	5 – 25 years
Vehicles	5 years

Depreciation is based on the pro-rata half year convention which assumes that capital assets are acquired and disposed of throughout an accounting period and uses one full year of depreciation expense if an item is purchased within the first six months of the year or disposed of in the last six months of the year. Likewise, no depreciation expense is recognized if an item is purchased within the last six months of the year or is disposed of within the first six months of the year. Depreciation expense is determined using the straight-line method and salvage value is disregarded, if negligible or undeterminable.

I. Accrued and Long-Term Liabilities

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources.

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability to the extent that they will not be paid with current available expendable financial resources. Payments made more than 60 days after fiscal year end are considered not to have used current available financial resources.

J. Inter-County Transactions

During the normal course of operations, SCCS has several transactions with other Summit County departments. These transactions include charges for services provided by one county department to another or reimbursement of shared costs of children with special needs. Inter-county transactions are recorded as charges for services and program expenditures in governmental funds.

K. Compensated Absences

Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vested method. The liability is based on an estimate of the amount of accumulated sick leave that will probably be paid as termination benefits. The amount is based on accumulated sick leave and employee's wage rates at year end, taking into consideration any limits specified in SCCS's termination policy.

SCCS records a liability for accumulated, unused vacation for all employees with more than one year of service. The current portion of unpaid compensated absences is the amount payable using expendable available resources. These amounts are recorded as fund liabilities. The entire compensated absences liability is reported on the government-wide financial statements.

L. Reserved Fund Balance

Reserved fund balances indicate that a portion of the fund equity is not available for current appropriation or use or is legally segregated for future use. The unreserved portions of fund equity reflected for the governmental funds are available for use within the specific purposes of the funds. Fund balance reserves have been established for encumbrances and prepaid items.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, consists of capital assets, net of accumulated depreciation.

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by SCCS or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

SCCS applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES

For the year ended December 31, 2009 SCCS implemented GASB Statement No. 52, “Land and Other Real Estate Held as Investments by Endowments”, GASB No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”, and GASB No. 56, “Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards”.

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Government Accounting Standards Board’s (GASB) authoritative literature.

GASB Statement No. 56 incorporates into the Governmental Accounting Standards Board’s (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountant’s Statements on Auditing Standards.

Implementation of these GASB Statements did not affect the presentation of the financial statements of SCCS.

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 4 – DEPOSITS AND INVESTMENTS

Legal Requirements

State statutes classify monies held by the County into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the County treasury, in commercial accounts paid or withdrawn on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the County has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts.

Interim deposits are deposits of interim monies. Interim moneys are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts.

Protection of County deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by Surety Company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies can be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed on hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

As a rule, Summit County does not segregate deposit and investments belonging to its individual funds. With regard to SCCS, the Ohio Revised Code does not specify that a County must segregate its deposits and investments. Consequently, the County pools the majority of SCCS' deposits and investments. This amount is presented as "Equity in Pooled Cash, Cash Equivalents and Investments" on the Statement of Net Assets and the Balance Sheet in the amount of \$32,964,535 as of December 31, 2009. Information regarding the classification of the County's deposits and investments per GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements", may be found in the County's Comprehensive Annual Financial Report for the year ended December 31, 2009.

SCCS maintains the savings accounts for children under the care of SCCS, along with accounts for contributions and bequests that are not reflected on the County's cash records. These balances are reported as "Cash and Cash Equivalents in Segregated Accounts" and "Investments in Segregated Accounts" to indicate that they are not part of the County treasury.

A. Deposits with Financial Institutions

At December 31, 2009, the carrying amount of all SCCS deposits was \$212,117. All of the SCCS's bank balance of \$215,631 was covered by the Federal Insurance Corporation.

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

B. Investments

As of December 31, 2009, SCCS had the following investments and maturities:

Investment Type	Balance at Fair Value	Investment Maturities	
		Less than 1 Year	1 to 5 Years
U.S. Agencies	\$248,872	\$40,175	\$208,697
Money Market	926,503	926,503	0
U.S. Treasury Bills	199,807	199,807	0
U.S. Treasury Notes	625,294	219,552	405,742
Total	<u>\$2,000,476</u>	<u>\$1,386,037</u>	<u>\$614,439</u>

Interest Rate Risk: SCCS does not have a policy addressing interest rates or maturities of investments.

Credit Risk: SCCS does not have a policy that addresses Credit Risk. As of December 31, 2009 the money market funds were rated AAA/Stable/A-1+ by Standard & Poor's.

Concentration of Credit Risk: SCCS does not have a policy that addresses the Concentration of Credit Risk. The following table includes the percentage of each investment type held by SCCS at December 31, 2009.

Investment Type	Fair Value	% of Total Value
U.S. Agencies	\$248,872	12.44%
Money Market Funds	926,503	46.31%
U.S. Treasury Bills	199,807	9.99%
U.S. Treasury Notes	625,294	31.26%
Total	<u>\$2,000,476</u>	<u>100.00%</u>

C. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets at December 31, 2009.

Cash and Investments per Footnote	
Carry Amount of Deposits	
County Cash Records	\$32,964,535
Carrying Amount of SCCS	212,117
Total Carrying Amount of Deposits	<u>\$33,176,652</u>
Investments	2,000,476
Total	<u>\$35,177,128</u>

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Cash and Investments per Statement of Net Assets	
Governmental Activities	\$35,044,488
Agency Funds	132,640
Total	<u>\$35,177,128</u>

NOTE 5 – PROPERTY TAX REVENUES

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the County. 2008 real property taxes were levied after October 1, 2008 on the assessed value as of January 1, 2009, the lien date, and were collected in 2009. Assessed values are established by State Law at 35 percent of appraised market value. Public utility property taxes received in 2009 attached as a lien on December 31, 2007, were levied after October 1, 2008, and were collected with real property taxes. Public utility property taxes are assessed on tangible personal property at true value. 2009 tangible personal property taxes were levied after October 1, 2008, on the value listed as of December 31, 2008, and were collected in 2009. The assessed value upon which the 2008 taxes were collected was \$12,485,793,437. The full tax rate for all County operations applied to taxable property for fiscal year ended December 31, 2008, was \$12.80 per \$1,000 of assessed valuation, of which \$2.25 per \$1,000 of assessed valuation is for the operation of SCCS.

Real and public utility property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

Tangible personal property tax is being phased out. This percentage was reduced to 12.5% for 2007, and will be 6.25% for 2008, and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 29.

House Bill No. 66 was signed into law June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost due to the phasing out of the tax. In calendar years 2006-2010, there will be full reimbursement for the lost revenue. In calendar years 2011-2017, the reimbursement will be phased out. Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 5 – PROPERTY TAX REVENUES (continued)

The County Fiscal Officer collects property taxes on behalf of all taxing districts within the County. The County Fiscal Officer – Auditor’s Division periodically remits to the taxing districts their portions of the taxes collected. Collection of the taxes and remittance of them to the taxing districts are accounted for in various funds of the County, including SCCS.

Property taxes receivable represent delinquent taxes, outstanding real property, public utility and tangible personal property taxes which were measurable at December 31, 2009. Total property tax collections for the next fiscal year are measurable amounts. However, since tax collections to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2009 operations, the receivable is offset by a credit to deferred revenues.

NOTE 5 – RECEIVABLES

Receivables at December 31, 2009, consisted of taxes, accounts, accrued interest and due from other governments. Taxes, accounts, accrued interest and due from other governments are deemed collectible in full. Inter-county receivables are reflected in Note 13 and are excluded from these figures. A listing of due from other governments is as follows:

Source of Funds	Amounts
Title IV-E Administration	\$4,125,829
State of Ohio Homestead Rollback	1,618,304
Title IV-E	1,160,640
Title IV-B	366,920
PASSS	215,328
Independent Living	209,861
Training Title XX	123,648
ESAA	123,600
Kinship Incentive	51,228
Medicaid Related	44,669
Other	30,839
KPIP Administration	23,534
HUD	19,698
Multi Ethnic Placement Grant	13,608
Adoption Grants	11,034
	<hr/>
Total	<u><u>\$8,138,740</u></u>

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 is as follows:

	Balance 12/31/2008	Additions	Disposals	Balance 12/31/2009
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$1,288,532	\$0	\$0	\$1,288,532
Construction in Progress	175,058	0	0	175,058
Total Capital Assets, Not Being Depreciated	<u>1,463,590</u>	<u>0</u>	<u>0</u>	<u>1,463,590</u>
Capital Assets, Being Depreciated				
Land Improvements	7,800	62,838	0	70,638
Buildings	14,469,553	0	0	14,469,553
Machinery and Equipment	417,136	113,332	(78,085)	452,383
Vehicles	279,099	39,068	(39,909)	279,258
Total Capital Assets, Being Depreciated	<u>15,173,588</u>	<u>215,238</u>	<u>(116,994)</u>	<u>15,271,832</u>
Less: Accumulated Depreciation				
Land Improvements	(520)	(4,709)	0	(5,229)
Buildings	(4,859,040)	(394,151)	0	(5,253,191)
Machinery and Equipment	(355,245)	(51,809)	78,085	(328,969)
Vehicles	(248,651)	(15,426)	38,909	(225,168)
Total Accumulated Depreciation	<u>(5,463,456)</u>	<u>(466,095)</u>	<u>116,994</u>	<u>(5,812,557)</u>
Total Capital Assets, Being Depreciated, Net	<u>9,710,132</u>	<u>(250,857)</u>	<u>0</u>	<u>9,459,275</u>
Governmental Activities Capital Assets, Net	<u>\$11,173,722</u>	<u>(\$250,857)</u>	<u>\$0</u>	<u>\$10,922,865</u>

NOTE 8 – DEFINED BENEFIT PENSION PLAN

All employees of SCCS participate in the Ohio Public Employees Retirement System (OPERS), which administers three separate pension plans as described below:

1. The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.
2. The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan members accumulate retirement

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (continued)

assets equal to the value of member and (vested) employer contributions plus any investment earnings.

3. The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to: Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 1-614-222-6705 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2009, member and employer contribution rates were consistent across all three plans (TP, MD and CO). Separate divisions for law enforcement and public safety exist only within the Traditional Plan.

Plan members are required to contribute 14.00 percent of their annual covered salary to fund pension benefit obligations. SCCS is required to contribute 14.00 percent. SCCS's contributions to the OPERS for the years ending December 31, 2009, 2008 and 2007 were \$2,788,802, \$2,819,971, and \$2,570,568, respectively. The full amount has been contributed for 2008 and 2007. 96.60 percent has been contributed for 2009.

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment coverage.

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

In order to qualify for postretirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio Service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-6601 or 800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local employers contributed at a rate of 14.00% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2009, the employer contribution allocated to the health care plan was 7.00% of covered payroll from January 1 through March 31, 2009 and 5.50% from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

SCCS's contributions to fund post-employment benefits were, for the year ending December 31, 2009, \$1,388,942.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008 which will allow additional funds to be allocated to the health care plan. There were no changes during 2009.

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 10 – COMPENSATED ABSENCES

Vacation is accumulated at varying rates ranging from two to six weeks per year depending on length of service. Accumulated vacation cannot exceed three times the annual accumulation rate for an employee. Unused vacation is payable upon termination of employment for those employees with 12 months of service. All employees earn sick leave at the rate of 4.6 hours for each 80 hours of work completed. Sick leave credit accumulates without limit. Upon retirement, an employee may be paid for 25 percent of his/her accumulated sick leave credit. Sick leave is paid at a rate equal to the hourly rate at the time of retirement, and may not exceed a total of 240 paid hours for bargaining unit employees and 720 for employees classified as management and confidential. Social Workers, Home Finding Recruiter, and registered nurses can also earn compensatory time up to a maximum of 80 hours. All other bargaining unit employees may elect to earn compensatory time in lieu of overtime. Members of management can earn exchange time up to a maximum of 40 hours. Upon termination of employment with SCCS, Social Workers, Home Finding Recruiter, and registered nurses will be compensated for up to 80 hours of their unused compensatory time, while members of management will be compensated for up to 40 hours of their unused compensatory time. All vacation and compensatory time payments are made at the employee’s wage rate at the time of termination.

The entire compensated absences liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is that amount expected to be paid using expendable available financial resources, and is reported in the general fund. The non-current portion of the liability is not reported.

Changes in compensated absences during 2009 were as follows:

Balance			Balance	Amount Due
<u>1/1/2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2009</u>	<u>In One Year</u>
\$2,685,348	\$201,611	(\$122,138)	\$2,764,821	\$0

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 11 – OTHER EMPLOYEE BENEFITS

SCCS offers major medical/hospitalization, including dental and vision, coverage for all regular, full-time employees through Medical Mutual of Ohio. These benefits, single and family coverage as applicable, are effective sixty (60) days from the first day of employment for bargaining unit employees or they are effective the first payday after hire for all management and confidential employees. Employees may select from several programs of coverage offered by the county. Prescription drug coverage is included with each health benefit plan. In April, 1996, all full-time employees covered by an insurance plan started paying a portion of the premium through payroll deductions to help defray rising hospitalization costs.

A flexible spending program for medical and dependent care was introduced January 1, 2005. Any remaining balance within this plan reverts to SCCS’s General Fund at the end of each year.

Life insurance is also provided as a benefit to full-time employees after the first year of employment for bargaining unit employees and the date of hire for management and confidential employees. Additional life insurance may be purchased by eligible employees.

NOTE 12 – INTER-COUNTY RECEIVABLES/PAYABLES

As of December 31, 2009, inter-county receivables and payables resulting from unpaid charges for services with other departments of the County of Summit were as follows:

General Fund	Receivable	Payable
Workers' Compensation	\$0	\$305,066
Department of Job and Family Services (PRC)	32,357	0
Summit County	0	50,623
Total	<u>\$32,357</u>	<u>\$355,689</u>

NOTE 13 – RISK MANAGEMENT

SCCS maintains insurance for comprehensive auto and blanket risk on all real and personal property including improvements, crime and honesty blanket bond for employees, as well as a public employee blanket bond for the Executive Director. A separate liability policy covered the nurses in SCCS’s clinic operations for year 2009. SCCS currently maintains general professional and liability insurance coverage for employees and volunteers. SCCS also maintains a separate indemnity policy for the Board of Directors. These policies are with private carriers.

SCCS paid \$827 as settlement for one claim filed in 2008. There was no liability recorded for claims at the end of 2009.

Settled claims have not exceeded commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 14 – CONTINGENCIES

SCCS is subject to a litigation/claim matter regarding an adverse ruling by the State Personnel Review Board relative to several job abolishments. The ruling has been appealed to a common please court and SCCS intends to vigorously defend its position. As of December 31, 2009, the probability of loss potential, estimated at \$1.2 million dollars was not determinable and was accordingly not recorded on the financial statements. SCCS is subject to other claims and litigation as of December 31, 2009, but in the opinion of management, any such claims and lawsuits will not have a material effect on the overall financial position.

NOTE 15 – LEASES

SCCS leases two storage facilities (both under a one-year agreement). The aggregate required monthly lease payments are \$1,657 with annual increases based on the consumer price index.

Lease expense for these facilities in 2009 was \$12,119.

Minimum rental payments required for the lives of these leases are as follows:

2010	\$14,430
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SCCS also has two equipment lease arrangements (both under a five-year agreement). Total expense on these leases for 2009 was \$30,942.

Minimum rental payments required for the lives of these leases are as follows:

2010	\$55,096
2011	55,096
2012	55,096
2013	50,006
2014	4,021

NOTE 16 – COMMITMENTS – ADOPTION SUBSIDIES

As part of the permanency plans for children, adoption is a solution when reunification with the natural birth parents is impossible or not in the best interests of the child. In many cases, the child has emotional and physical problems. If the family meets certain eligibility factors, a subsidy may be provided to assist the family in handling these problems. In addition to state and federal monies being available, SCCS may need to provide additional assistance to the family in the form of a monthly subsidy. At the time of the adoption, an agreement is made with the family to provide assistance until the child reaches 18 years of age. The agreement is reviewed annually to assure continued eligibility.

**SUMMIT COUNTY CHILDREN SERVICES
SUMMIT COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 16 – COMMITMENTS – ADOPTION SUBSIDIES (continued)

As of December 31, 2009, SCCS's commitment to adoptive parents was \$4,992,183 for 1,063 children. Of this amount, \$708,607 is payable in 2010. No long-term liability has been recognized in SCCS's financial statements.

**Summit County Children
Services
Summit County, Ohio**

**Report Package
December 31, 2009**

SUMMIT COUNTY CHILDREN SERVICES

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

June 28, 2010

To the Board of Trustees
Summit County Children Services
264 South Arlington Street
Akron, Ohio 44306

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Summit County Children Services(SCCS) as of and for the year ended December 31, 2009, which collectively comprise the SCCS' basic financial statements and have issued our report thereon dated June 28, 2010. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the SCCS' internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the SCCS' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the SCCS' 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, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the SCCS in a separate letter dated June 28, 2010.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the SCCS' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted a matter that we reported to management of SCCS in a separate letter dated June 28, 2010.

This report is intended solely for the information and use of the members of the Board and management, and is not intended to be and should not be used by anyone other than those specified parties

Rea & Associates, Inc.



Mary Taylor, CPA
Auditor of State

SUMMIT COUNTY CHILDREN SERVICES BOARD

SUMMIT 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
AUGUST 17, 2010**