

WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
WAYNE COUNTY

FINANCIAL STATEMENTS
AUDITED

JUNE 30, 2009 AND 2008



Mary Taylor, CPA
Auditor of State

Members of Council
Wayne County Family and Children First Council
2345 Gateway Dr., Suite C
Wooster, Ohio 44691

We have reviewed the *Report of Independent Auditors* of the Wayne County Family and Children First Council, prepared by Linc, Malachin, Dennis & Dimengo, Inc., for the audit period July 1, 2008 through June 30, 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 Wayne County Family and Children First Council is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 10, 2010

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**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
WAYNE COUNTY**

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1915 West Market St., Ste. 900
Akron, Ohio 44313
330.867.2800
330.867.2144 (FAX)

1124 McKinley Ave. NW
Canton, Ohio 44703
330.454.8049
330.454.3390 (FAX)

REPORT OF INDEPENDENT AUDITORS

Wayne County Family and Children First Council
Wayne County
2345 Gateway Drive, Suite C
Wooster, Ohio 44691

To the Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wayne County Family and Children First Council, Wayne County, Ohio (the Council), as of and for the years ended June 30, 2009 and 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 an opinion on these financial statements based on our audits.

We conducted our audits 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 audits provides a reasonable basis for our opinion.

In our opinion, the basic 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 Wayne County Family and Children First Council, Wayne County, Ohio as of June 30, 2009 and 2008, and the respective changes in financial position and the respective budgetary comparison for the General Fund and each major Special Revenue Fund thereof for the years 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 December 15, 2009 on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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.

The management's discussion and analysis on pages 3 through 9 is not a required part of the basic financial statements, but is supplementary information required by 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.

Wayne County Family and Children First Council
Wayne County
Report of Independent Auditors
Page 2

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2009, is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Linc, Malachin, Dennis & Dimengo, Inc.

Linc, Malachin, Dennis & Dimengo, Inc.

December 15, 2009

WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDING JUNE 30, 2009 AND 2008
[UNAUDITED]

The intent of this discussion and analysis of the financial performance of the Wayne County Family and Children First Council (hereinafter referred to as "the FCFC") for the fiscal years ending June 30, 2009 and 2008 is to provide an overview and summary of the FCFC's financial activities in an easy-to-read format.

Financial Highlights

Financial highlights for **FY08** are as follows:

- The FCFC's revenue and expenses generated a \$50,161 surplus, resulting in the level of FCFC general reserves being increased to \$266,503. Given the nature of FCFC financial operations, as primarily a "pass-through" organization, this is as would be anticipated and will be carried over for future use in the program.
- FCFC operations totaled \$1,310,438, which is consistent with the pattern of recent years.
- These financial statements are the first to be prepared subsequent to the FCFC's moving to a July-June fiscal year* and officially switching to a full accrual basis of accounting (i.e., revenue is recognized when earned, expenses are recognized when an obligation is incurred and non-cash items are also accounted for).

Financial highlights for FY09 are as follows:

- The FCFC's revenue and expenses generated a surplus of \$23,459, which increased general reserves to \$289,961.
- FCFC operations totaled approximately \$1,265,818, which is consistent with the pattern of recent years.
- These financial statements were prepared on a comparative basis given this is the second year of accrual accounting, prepared on a June 30 fiscal year.

* This change in fiscal year was done pursuant to ORC Section 9.34(B) and with the concurrence of both the Auditor of State and the Wayne County Auditor. With this change, the FCFC's official budget and audited financial statements have now become aligned with the FCFC's fiscal year reporting to the state, resulting in a much more rational, efficient and functional accounting system and audit reports which are more intelligible and useful.

Description of Basic Financial Statements

This annual audit report is presented in a format consistent with the presentation requirements of Government Accounting Standards Board Statement No. 34. These statements have been prepared on the accrual basis of accounting, wherein (a) revenue is recognized when earned (regardless of when payment is received), (b) expenses are recognized when an obligation is incurred (regardless of when payment is made) and (c) non-cash items (such as payables, receivables, depreciation, in-kind items, etc.) are also accounted for.

Report components are as follows:

- The Statement of Net Assets provides a year-end picture of the FCFC's assets (cash, receivables and equipment), its liabilities (funds which are owed to others) and its net worth or net assets (i.e., assets less liabilities).
- The Statement of Activities summarizes revenue (resources coming in) and expenditures (resources going out) over the course of the year by fund.
- The Statement of Revenue, Expenditures and Changes in Fund Balance show the impact of the revenue and expenses, by fund, to the individual Fund Balances.
- The Federal Schedule itemizes receipts and expenditures for various federal funds administered by the FCFC.
- The Notes to Financial Statements are an integral part of the financial statements and provide expanded explanation and detail regarding the information reported in the statements.
- Letters from the auditor report on FCFC compliance with various federal rules and regulations. [NOTE: This may not be applicable, depending on federal \$\$.]

Financial Status of the FCFC as a Whole

Together, the Statement of Net Assets and the Statement of Activities answer the question "How did the FCFC do financially during FY08 and FY09?".*

* NOTE: The primary areas of financial responsibility for the FCFC are (a) the development and management of joint service plans and diversion efforts for multi-system children and youth and (b) the administration of special grant programs. Additionally, the FCFC carries responsibilities related to the production of a radio program and supporting the involvement of parent representatives. These activities are all reflected on the FCFC financial statements that are the focus of this report. The FCFC also had administrative costs during FY08 which totaled \$121,726 and \$126,198 for FY09 which are not reflected in these financial statements. Rather, these FCFC administrative costs are accounted for as a cost center within the administrative budget of the Mental Health & Recovery Board of Wayne and Holmes Counties, which serves as the designated administrative agent for the FCFC, and can be found in the Board's financial statements.

The Statement of Activities compares revenue against expenditures for the comparative years and calculates whether the FCFC had a surplus or suffered a loss. Revenue and Expenses have been grouped into General government and Social Services, Operating Grants and Contributions and general expenses.

The Statement of Revenue, Expenditures and Changes in Fund balances presents Intergovernmental Revenue and Expenditures primarily Contract Services.

The Statement of Net Assets presents a snap shot of where the FCFC stood financially on the last day of the year in terms of the assets it held at that point in time, obligations that were owed to other parties and the net difference. When the Statement of Activities indicates that expenses exceeded revenue and a loss was incurred, this would show up on the Statement of Net Assets in terms of the FCFC's net assets being lower at the end of the year as compared to the beginning of the year by the amount of the deficit. If the opposite were the case, then the resulting surplus would increase the FCFC's net assets.

Due to billing practices of providers and contracts, it is not always possible to know with absolute certainty what outstanding revenue and/or billings for the year have yet to be received, so determining appropriate estimates of these amounts is inherent in the process of preparing such accrual financial statements. Efforts have been to ensure that these estimates are both reasonable and conservative.

These statements provide comparisons to the prior year. FY08 was FCFC's first year this information was presented for a new July-June fiscal year and on an accrual basis. For the purposes of this "Management Discussion and Analysis," comparisons with the FCFC's FY07 accrual based compilation report have been provided, but these numbers from FY07 were not subject to audit.

The table below provides a re-cap of the FCFC's Statement of Net Assets as of June 30, 2009, 2008 and 2007:

	FY09	FY08	FY07
Assets			
Cash with Fiscal Agent	\$842,192	\$775,536	\$643,300
Receivables - Funders	\$19,038	\$114,878	\$40,028
Receivables - Grants	\$48,780	\$28,297	\$222,890
Prepaid Expenses		\$0	\$0
Net Capital Assets		\$0	\$0
TOTAL	\$910,010	\$918,711	\$906,218
Liabilities			
Accounts Payable - Placements	\$8,516	\$52,229	\$45,172
Accounts Payable - Projects	\$165,533	\$148,525	\$197,245
Advance from funders	\$446,000	\$446,000	\$446,000
Other Liabilities	\$0	\$5,455	\$1,460
TOTAL LIABILITIES	\$620,049	\$652,209	\$689,877

<u>Net Assets</u>			
Net Assets - Designated	\$80,276	\$83,155	\$60,589
Net Assets - Undesignated	<u>\$209,685</u>	<u>\$183,347</u>	<u>\$155,752</u>
TOTAL NET ASSETS	\$289,961	\$266,502	\$216,341

As of the end of the fiscal years on June 30, 2009 and 2008, the net assets of the Board were little changed from what they were at the beginning of the previous years. The FCFC is currently engaged in a process to determine the best use of these resources.

The table which follows summarizes the FCFC's Statement of Activities, providing information about the revenue and expense administered by the FCFC during FY09 and FY08:

	FY09	FY08	FY07
Revenue			
Grants*	\$839,095	\$743,557	\$941,107
Joint Services Revenue - Governmental	\$330,250	\$478,166	\$439,934
Joint Service Revenue - Private	\$31,976	\$30,427	\$32,225
Diversion Pool Revenue	\$12,851	\$25,000	\$0
Parent Stipend Award	\$1,500	\$1,500	\$1,500
Other Revenue	\$50,146	\$31,787	\$14,315
Net Assets Released from Restriction		0	0
TOTAL REVENUE	\$1,265,818	\$1,310,437	\$1,429,081
Expenses			
Grant Projects	\$753,792	\$743,551	\$927,902
Joint Services Plans	\$469,516	\$498,137	\$476,750
Diversion Expenses	\$12,851	\$11,765	\$5,342
Parent Stipends	\$1,500	\$2,625	\$2,525
Other Expenses	\$4,700	\$4,199	\$4,603
TOTAL EXPENSES	\$1,242,359	\$1,260,277	\$1,417,122
SURPLUS/(DEFICIT)	\$23,459	\$50,162	\$11,959
NET ASSETS AT THE BEGINNING OF THE YEAR	\$266,503	\$216,341	\$204,382
NET ASSETS AT THE END OF THE YEAR	\$289,962	\$266,503	\$216,341

*Major grants administered by the FCFC in FY08 and FY09 included the following:	FY08	FY09
Child and Family Health Services (from ODH)	\$111,360	\$109,536
Help Me Grow (from ODH and ODJFS)	\$452,193	\$570,255
Children's Trust Fund	\$38,631	\$38,631
Safe Communities	\$32,400	\$35,400
Access to Better Care (ABC) (from ODMH)	\$45,795	\$45,524
Families and System Team (FAST) (from ODMH)	\$39,749	\$39,749

Joint Services Revenue is comprised of contributions from local governmental entities, as well as from families and others, to support the implementation of joint service plans for multi-need children. The amount shown above as FCFC revenue represents the amount of such support for those children and youth for which the FCFC was the fiscal agent.

Description of the FCFC's Funds and Accounting System

Pursuant to ORC Section 121.37(B)(5)(a), the Mental Health and Recovery Board (herein after referred to as the MHRB) is the designated administrative agent for the FCFC. The specifics of this arrangement are codified in an Administrative Agreement into which the FCFC and MHRB have entered. The MHRB maintains two funds with the Wayne County Auditor, who serves as the MHRB's fiscal agent. One of these funds is used for the MHRB's general operations, while the other is a fiduciary fund that is used to segregate the finances of the FCFC. The MHRB internally uses Quick Books accounting software, along with a number of subsidiary ledgers and spreadsheets, to track the various special awards and allocations for which it is responsible.

Budgetary Information

The FCFC's official budgeting process is prescribed by the Ohio Revised Code (ORC). Wayne County is the MHRB's designated fiscal agent and the MHRB's and FCFC's budgeting and accounting systems are tied to those of Wayne County. As a part of this, MHRB/FCFC appropriations are restricted by the amounts of anticipated revenues certified by the County Budget Commission and any mid-year budget revisions must be approved through a similar process (i.e., the MHRB/FCFC may not encumber or spend funds above the amount which has been certified as being available to appropriate). Consequently, it may not be possible for the FCFC's plans or desires to be completed reflected in the original budget submitted to and approved by the County. Furthermore, since the County continues to operate on a cash basis, in FY09 the FCFC submitted two budgets to the County for approval: one prepared on a cash basis, upon which the MHRB/FCFC's certificate and encumbrances are based, and a second version prepared on an accrual basis that the MHRB/FCFC uses for management, cost accounting and state reporting.

Capital Assets and Debt Administration

The FCFC owns no land, buildings or equipment. The FCFC is charged for the office space provided by the MHRB and the use of its equipment.

As of June 30, 2008, the FCFC owed the MRHB \$446,000 for an advance provided by the MHRB to assist the FCFC with cash flow issues. This arrangement is set forth in the Administrative Agreement between the MHRB and the FCFC, with these funds to be repaid by the FCFC within 120-days of being requested by the MHRB. During FY09, these funds were repaid to the MRHB board and a similar agreement for the same amount was entered into with the Wayne County Children's Services Board. This amount remains a liability on the June 30, 2009 Balance Sheet.

Current Issues and Outlook

The State of Ohio currently faces significant financial challenges that are affecting all levels of government, including the FCFC. Because of this, it is likely that both the FCFC, as well as its member organizations, will have fewer resources and lower revenue in the coming year. As an organization that largely depends upon collaboration and good will to carry out its mission, dealing with this state-of-affairs will both pose significant challenges and likely some retrenchments, as well as an important opportunity for new ways of partnering in the interests of the larger community and persons in need.

These same financial stresses and revenue shortfalls created need for the MHRB to withdraw its cash advances to the FCFC, to as to be able to deal with its internal cash flow needs. In order to provide for its own cash flow requirements, FCFC entered into a similar agreement with the Wayne County Children's Services Board.

In FY09, the MHRB received major cuts from the State of Ohio. This required a major reorganization of the entire system of care with significant reductions in funding to all providers. As a result, other funders to FCFC have agreed to increase their funding participation, at least for as long is possible with their own funding situations.

Contacting the Board's Financial Management

This report is designed to provide all interested parties with a general overview of the FCFC's finances and to demonstrate the FCFC's accountability for the funds it receives and administers. If you have questions about this report or need additional information, please contact Ms. Rose Love, Director of Business Operations, Mental Health & Recovery Board of Wayne and Holmes Counties, 2345 Gateway Drive, Wooster, Ohio 44691.

WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
STATEMENT OF NET ASSETS
JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
	<u>Governmental</u>	<u>Governmental</u>
	<u>Activities</u>	<u>Activities</u>
Assets		
Pooled Cash and cash equivalents	\$ 842,192	\$ 775,536
Receivables:		
Funders	19,038	114,878
Grants	<u>48,780</u>	<u>28,297</u>
 Total Assets	 <u>\$ 910,010</u>	 <u>\$ 918,711</u>
 Liabilities and Net Assets		
Current Liabilities		
Accounts Payable:		
Placement Facilities Payable	\$ 8,516	\$ 52,229
Grants Payable	165,533	148,525
Other	-	5,455
Advance Payable	<u>446,000</u>	<u>446,000</u>
 Total Current Liabilities	 620,049	 652,209
 Net Assets		
Unrestricted	<u>289,961</u>	<u>266,502</u>
 Total Liabilities and Net Assets	 <u>\$ 910,010</u>	 <u>\$ 918,711</u>

See accompanying notes.

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
		Operating Grants and Contributions	Governmental Activities
Governmental Activities			
General government	\$ 381,753	\$ 405,212	\$ 23,459
Social Services	<u>860,606</u>	<u>860,606</u>	<u>-</u>
Total Governmental Activities	<u>\$ 1,242,359</u>	<u>\$ 1,265,818</u>	<u>\$ 23,459</u>
General Revenues			
Miscellaneous			<u>-</u>
Total General Revenues			<u>-</u>
Changes in Net Assets			\$ 23,459
Net Assets Beginning of Year			<u>266,502</u>
Net Assets End of Year			<u><u>\$ 289,961</u></u>

See accompanying notes.

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

		<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities			
General government	\$ 516,722	\$ 566,883	\$ 50,161
Social Services	<u>743,555</u>	<u>743,555</u>	<u>-</u>
Total Governmental Activities	<u>\$ 1,260,277</u>	<u>\$ 1,310,438</u>	<u>\$ 50,161</u>
General Revenues			
Miscellaneous			<u>-</u>
Total General Revenues			<u>-</u>
Changes in Net Assets			\$ 50,161
Net Assets Beginning of Year			<u>216,341</u>
Net Assets End of Year			<u>\$ 266,502</u>

See accompanying notes.

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009**

	General	Help Me Grow (HMG)	Child & Family Health Services	Other	Total Governmental Funds
Assets					
Pooled Cash and Cash Equivalents	\$ 741,166	\$ 72,676	\$ -	\$ 28,351	\$ 842,193
Receivables:					
Funders	19,038	-	-	-	19,038
Grants	-	18,155	12,622	18,002	48,779
Total Assets	760,204	90,831	12,622	46,353	910,010
 Liabilities and Net Assets					
Current Liabilities					
Accounts Payable:					
Placement Facilities Payable	8,516				8,516
Grants Payable	15,727	90,831	12,622	46,353	165,533
Advance Payable - Wayne County Children Services Board	446,000	-	-	-	446,000
Total Current Liabilities	470,243	90,831	12,622	46,353	620,049
 Fund Balances					
Unreserved:					
Undesignated	209,685	-	-	-	209,685
Designated	80,276	-	-	-	80,276
Total Fund Balances	\$ 289,961	\$ -	\$ -	\$ -	\$ 289,961

See accompanying notes

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008**

	General	Help Me Grow (HMG)	Child & Family Health Services	Other	Total Governmental Funds
Assets					
Pooled Cash and Cash Equivalents	\$ 689,636	\$ 61,030	\$ 15,654	\$ 9,216	\$ 775,536
Receivables:					
Funders	114,878	-	-	-	114,878
Grants	-	7,161	-	21,136	28,297
Total Assets	804,514	68,191	15,654	30,352	918,711
 Liabilities and Net Assets					
Current Liabilities					
Accounts Payable:					
Placement Facilities Payable	52,229				52,229
Grants Payable	34,328	68,191	15,654	30,352	148,525
Other	5,455				5,455
Advance Payable - Mental Health & Recovery Board of Wayne and Holmes Counties	446,000	-	-	-	446,000
Total Current Liabilities	538,012	68,191	15,654	30,352	652,209
 Fund Balances					
Unreserved:					
Undesignated	183,347	-	-	-	183,347
Designated	83,155	-	-	-	83,155
Total Fund Balances	\$ 266,502	\$ -	\$ -	\$ -	\$ 266,502

See accompanying notes

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009**

	<u>General</u>	<u>Help Me Grow (HMG)</u>	<u>Child & Family Health Services (CFHS)</u>	<u>Other</u>	<u>Total Governmental Funds</u>
Revenue					
Intergovernmental	\$ 397,895	\$ 570,255	\$ 109,536	\$ 180,815	\$ 1,258,501
Miscellaneous	<u>7,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,317</u>
 Total Receipts	 <u>\$ 405,212</u>	 <u>\$ 570,255</u>	 <u>\$ 109,536</u>	 <u>\$ 180,815</u>	 <u>\$ 1,265,818</u>
 Expenditures					
Contract Services	377,053	570,255	109,536	180,815	1,237,659
Other	<u>4,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,700</u>
 Total Disbursements	 <u>\$ 381,753</u>	 <u>\$ 570,255</u>	 <u>\$ 109,536</u>	 <u>\$ 180,815</u>	 <u>\$ 1,242,359</u>
 Change in Fund Balances	 23,459	 -	 -	 -	 23,459
Fund Balances Beginning of Year	<u>266,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266,502</u>
Fund Balances End of Year	<u>\$ 289,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 289,961</u>

See accompanying notes

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008**

	<u>General</u>	<u>Help Me Grow (HMG)</u>	<u>Child & Family Health Services (CFHS)</u>	<u>Other</u>	<u>Total Governmental Funds</u>
Revenue					
Intergovernmental	\$ 535,096	\$ 452,193	\$ 111,360	\$ 180,002	\$ 1,278,651
Miscellaneous	<u>31,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,787</u>
 Total Receipts	 <u>\$ 566,883</u>	 <u>\$ 452,193</u>	 <u>\$ 111,360</u>	 <u>\$ 180,002</u>	 <u>\$ 1,310,438</u>
 Expenditures					
Contract Services	512,527	452,193	111,360	180,002	1,256,082
Other	<u>4,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,195</u>
 Total Disbursements	 <u>\$ 516,722</u>	 <u>\$ 452,193</u>	 <u>\$ 111,360</u>	 <u>\$ 180,002</u>	 <u>\$ 1,260,277</u>
 Change in Fund Balances	 50,161	 -	 -	 -	 50,161
Fund Balances Beginning of Year	<u>216,341</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>216,341</u>
Fund Balances End of Year	<u>\$ 266,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,502</u>

See accompanying notes

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenue				
Intergovernmental	\$ 500,000	\$ 962,623	\$ 397,895	\$ (564,728)
Miscellaneous	<u>-</u>	<u>-</u>	<u>7,317</u>	<u>7,317</u>
Total Revenues	<u>\$ 500,000</u>	<u>\$ 962,623</u>	<u>\$ 405,212</u>	<u>\$ (557,411)</u>
Expenditures				
Contract Services & Professional Services	500,000	962,623	377,053	(585,570)
Other	<u>-</u>	<u>-</u>	<u>4,700</u>	<u>4,700</u>
Total Expenditures	<u>\$ 500,000</u>	<u>\$ 962,623</u>	<u>\$ 381,753</u>	<u>\$ (580,870)</u>
Change in Fund Balances	-	-	23,459	23,459
Fund Balances Beginning of Year	<u>-</u>	<u>-</u>	<u>266,502</u>	<u>-</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 289,961</u>	<u>\$ 23,459</u>

See accompanying notes

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenue				
Intergovernmental	\$ 1,700,000	\$ 500,000	\$ 535,096	\$ 35,096
Miscellaneous	-	-	31,787	31,787
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Revenues	<u>\$ 1,700,000</u>	<u>\$ 500,000</u>	<u>\$ 566,883</u>	<u>\$ 66,883</u>
Expenditures				
Contract Services & Professional Services	1,700,000	500,000	512,527	(12,527)
Other	-	-	4,195	(4,195)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u>\$ 1,700,000</u>	<u>\$ 500,000</u>	<u>\$ 516,722</u>	<u>\$ (16,722)</u>
Change in Fund Balances	-	-	50,161	50,161
Fund Balances Beginning of Year	<u>216,341</u>	<u>216,341</u>	<u>216,341</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 216,341</u>	<u>\$ 216,341</u>	<u>\$ 266,502</u>	<u>\$ 50,161</u>

See accompanying notes

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
HELP ME GROW (HMG)
YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenue				
Intergovernmental	\$ 450,000	\$ 487,745	\$ 570,255	\$ 82,510
Total Revenues	<u>\$ 450,000</u>	<u>\$ 487,745</u>	<u>\$ 570,255</u>	<u>\$ 82,510</u>
Expenditures				
Contract Services	<u>450,000</u>	<u>487,745</u>	<u>570,255</u>	<u>82,510</u>
Total Expenditures	<u>\$ 450,000</u>	<u>\$ 487,745</u>	<u>\$ 570,255</u>	<u>\$ 82,510</u>
Change in Fund Balances	-	-	-	-
Fund Balances Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
HELP ME GROW (HMG)
YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenue				
Intergovernmental	\$ 450,000	\$ 450,000	\$ 452,193	\$ 2,193
Total Revenues	<u>\$ 450,000</u>	<u>\$ 450,000</u>	<u>\$ 452,193</u>	<u>\$ 2,193</u>
Expenditures				
Contract Services	<u>450,000</u>	<u>450,000</u>	<u>452,193</u>	<u>(2,193)</u>
Total Expenditures	<u>\$ 450,000</u>	<u>\$ 450,000</u>	<u>\$ 452,193</u>	<u>\$ (2,193)</u>
Change in Fund Balances	-	-	-	-
Fund Balances Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CHILD & FAMILY HEALTH SERVICES
YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenue				
Intergovernmental	\$ 120,000	\$ 96,254	\$ 109,536	\$ 13,282
Total Revenues	<u>\$ 120,000</u>	<u>\$ 96,254</u>	<u>\$ 109,536</u>	<u>\$ 13,282</u>
Expenditures				
Contract Services	<u>120,000</u>	<u>96,254</u>	<u>109,536</u>	<u>13,282</u>
Total Expenditures	<u>\$ 120,000</u>	<u>\$ 96,254</u>	<u>\$ 109,536</u>	<u>\$ 13,282</u>
Change in Fund Balances	-	-	-	-
Fund Balances Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CHILD & FAMILY HEALTH SERVICES
YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenue				
Intergovernmental	\$ 120,000	\$ 120,000	\$ 111,360	\$ (8,640)
Total Revenues	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 111,360</u>	<u>\$ (8,640)</u>
Expenditures				
Contract Services	<u>120,000</u>	<u>120,000</u>	<u>111,360</u>	<u>8,640</u>
Total Expenditures	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 111,360</u>	<u>\$ 8,640</u>
Change in Fund Balances	-	-	-	-
Fund Balances Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
WAYNE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

- a. At least three individuals who are not employed by an agency represented on the council and whose families are or have received services from an agency represented on the council or another county's council. Where possible, the number of members representing families shall be equal to twenty percent of the council's remaining membership;
- b. 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. If a board of alcohol, drug addiction and mental health services covers more than one county, the director may designate a person to participate on the county's council;
- c. The health commissioner, or the commissioner's designee, of the board of health of each city or general health district in the county. If the county has two or more health districts, the health commissioner membership may be limited to the commissioners of the two districts of the largest populations;
- d. The director of the county department of job and family services;
- e. The executive director of the public children services agency;
- f. The superintendent of the county board of mental retardation and developmental disabilities;
- 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 municipal corporation with the largest population in the county;
- j. The president of the board of county commissioners or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county's head start agencies, as defined in section 3301.32 of the Revised Code;
- m. A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Developmental Disabilities Act of 2004";
- n. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

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

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. Development and implementation of a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;
- c. Participate in the development of a countywide, comprehensive, coordinated, multidisciplinary, 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";
- d. Maintain an accountability system to monitor the county council's progress in achieving results for families and children;
- e. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

A county council's shall develop and implement the following:

- a. An interagency process to establish local indicators and monitor the county's progress toward increasing child well-being in the county;
- b. An interagency process to identify local priorities to increase child well-being. The local priorities shall focus on expectant parents and newborns thriving; infants and toddlers thriving; children being ready for school; children and youth succeeding in school; youth choosing healthy behaviors; and youth successfully transitioning into adulthood and take into account the indicators established by the cabinet council under division (a)(4)(a) of Ohio Revised Code Section 121.37;
- c. An annual plan that identifies the county's interagency efforts to increase child well-being in the county.

B. 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 for intersystem coordination of services, administration and development and execution of a plan that seeks to improve the wellbeing of children and families in Wayne

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting Entity (Continued)

County. The Council, the Executive Committee, and the Executive Director have direct responsibility for these activities.

C. Basis of Presentation

The Council's basic financial statements consist of government-wide statements, including a statement of net assets, a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Council as a whole. These statements include the financial activities of the primary government.

The statement of net assets presents the financial condition of the government activities of the Council at year-end. The statement of activities presents a comparison between direct expenses and program revenue for each function of the Council'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 charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Council, with certain limited exceptions.

The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general receipts of the Council.

Fund Financial Statements

The Council maintains its accounting records in accordance with the principles of fund accounting. 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 Council classifies its funds into the following fund type:

General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required by law or contract to be restricted.

Children's Trust Fund

For both fiscal years ending June 30, 2009 and 2008 \$38,631 was received from the Ohio Children's Trust Fund. Section 3109.18, Revised Code, requires a fund known as the Children's Trust Fund to be established in the County Treasury. The Council has been designated the advisory board for this fund and deposits all money received into the Trust Fund. The county auditor acting as the fiscal agent will distribute money from the fund at the request of the Council. This fund is included in the Other Funds.

The Help Me Grow Fund is used to account for revenue received and expended from Federal, State and local funding to support Help Me Grow.

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

Child and Family Health Services

The Child and Family Health Services Fund is used to account for revenue received from Federal and State funding to support Child and Family Health Services.

D. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The council considers revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred.

The basic financial statements of the council have been prepared in conformity with accounting principles generally accepted in the United States of America (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 council also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements.

E. Administrative / Fiscal Agent

Section 121.37 (B) (5) (a), Revised Code, requires each county council to designate an administrative agent for the council. The Mental Health & Recovery Board of Wayne and Holmes Counties serves as the Wayne County Family and Children First Council's administrative and fiscal agent. The Wayne County Auditor, in turn, is the designated fiscal agent for the Mental Health & Recovery Board of Wayne and Holmes Counties.

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;
3. Perform the following on behalf of Council, but only upon the expressed approval of and direction by Council:

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008**

E. Administrative / Fiscal Agent (Continued)

- a. Enter into written agreements or administer contracts with public or private entities to fulfill specific Council business.
- b. Provide financial stipends, reimbursements, or both, to family representatives for expenses related to purposes for which the Council is established.
- c. Receive by gift, grant, devise, or bequest any moneys, land, or other property for the purposes for which the Council is established.

As the administrative agent, the Board pays for all administrative expenses associated with the council's operations. These expenses do not appear within the financial statements of the Council.

F. Contracted Services

The Contract Service Council Coordinator is a paid employee of the Mental Health and Recovery Board of Wayne and Holmes Counties. The funds used to pay the salary of the Grant Coordinator are derived from a state administrative grant and local contributors.

G. Related Party Transactions

As of June 30, 2008, the Council owed a total of \$446,000 to the Mental Health and Recovery Board of Wayne and Holmes Counties (the Board) for operating cash advances. Terms specify that repayment is to be made within 45 days of notice to the First Council by the Board. This amount was repaid to the Mental Health and Recovery Board during the fiscal year ending June 30, 2009.

2. EQUITY IN POOLED CASH

The Wayne County Auditor maintains a cash pool used for the County's funds and for 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 Wayne County Auditor at June 30, 2009 and 2008 was \$842,192 and \$775,536 respectively. The Wayne County Auditor, as fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in the County's pooled and deposit accounts.

3. PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Council's Grant Coordinator belongs to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. PERS members contributed 9.5% of their gross salaries for the period July 1 through December 31, 2007. The Mental Health and Recovery Board of Wayne and Holmes Counties (the Board), as fiscal and administrative agent of the Council, also contributed 13.85% of participants' gross salaries for the same time period. These amounts increased to 10% and 14% respectively, effective January 1, 2008. The Board has paid all contributions required through June 30, 2009, and recorded the expense on its financial statements.

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008**

4. NET ASSETS

Unrestricted – Designated

The Family and Children First Council maintains Board designated, pooled balances for any monies received from public Funders sources that are in excess of the actual placement and treatment costs incurred by the Council. These funds are used to help offset any future shortfalls with regard to any future placement and treatment costs. The total amounts held as unrestricted – designated are:

	<u>2009</u>	<u>2008</u>
Pooled Diversion Funds	\$63,241	\$ 63,153
Pooled Parent Stipends	1,361	2,961
Shared Placement Costs	<u>15,674</u>	<u>17,041</u>
Total	<u>\$80,276</u>	<u>\$ 83,155</u>

5. CONCENTRATIONS OF SUPPORT

The Family and Children First Council receives approximately 37% of its annual budget from public Funders and 6% from private child support & social security payments in order to support various residential treatment placements and community based treatment programs. The Council also receives approximately 57% of its annual revenue from other government grants. Any significant decrease in the annual funding would significantly affect budgeted operations.

6. FUNDING AGREEMENT

During the fiscal year ended June 30, 2009, the Family and Children First Council repaid a \$446,000 advance to the Wayne Holmes Mental Health and Recovery Board. The Council Executed an agreement with the Wayne County Children Services Board for \$446,000 advance. Terms specify that repayment is to be made within 45 days of notice to the Council. The advance was used to repay the amount owed the Mental Health and Recovery Board.

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008**

7. CHANGE IN FINANCIAL STATEMENT PRESENTATION

For previous six-month fiscal period ended June 30, 2007 the Council presented it's financial statements on the basis of accounting preferred or permitted by the Auditor of State. For the fiscal year ended June 30, 2008 the Council has switched to a GAAP presentation format. The effect of this change is a change in the Council's Net Asset balance as of June 20, 2007, which is reconciled as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Total-All Government Funds</u>
June 30, 2007 – Auditor of State Basis	\$ 635,080	\$ 8,220	\$643,300
June 30, 2007 - Accrual Conversion Adjustments:			
Add:			
Receivables – Funders	40,028	-	40,028
Receivables – Grants	222,890	-	222,890
Less:			
Accounts Payable – Placement Facilities	(45,172)	-	(45,172)
Accounts Payable – Grants	(189,025)	(8,220)	(197,245)
Accounts Payable – Other	(1,460)	-	(1,460)
Advance Payable – Mental Health & Recovery Board Of Wayne and Holmes Counties	<u>(446,000)</u>	<u>-</u>	<u>(446,000)</u>
June 30, 2007 – GAAP Basis	<u>\$ 216,341</u>	<u>\$ -</u>	<u>\$216,341</u>

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
WAYNE COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES AND FEDERAL AWARDS
JUNE 30, 2009**

<u>Pass Through Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Entity Number</u>	<u>Receipts</u>	<u>Expenditures</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
(Passed Through the Ohio Department of Health)				
Early Intervention Grant	84.181	NONE	\$ 42,854	\$ 42,854
Total - U.S. Department of Education			<u>\$ 42,854</u>	<u>\$ 42,854</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
(Passed through the Ohio Department of Health)				
Maternal and Child Health Services Block Grant	93.994	NONE	\$ 109,536	\$ 109,536
FAST Grant	93.556	NONE	\$ 39,749	\$ 39,749
(Passed Through the Ohio Department of Job & Family Services)				
Help Me Grow - TANF	93.558	NONE	\$ 402,055	\$ 402,055
Total - U.S. Department of Health and Human Services			<u>\$ 551,340</u>	<u>\$ 551,340</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
(Passed Through the Ohio Department of Health)				
Safe Communities	20.600	NONE	\$ 32,400	\$ 32,400
Total - U.S. Department of Transportation			<u>\$ 32,400</u>	<u>\$ 32,400</u>
Total Federal Awards			<u>\$ 626,594</u>	<u>\$ 626,594</u>

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

1915 West Market St., Ste. 900
Akron, Ohio 44313
330.867.2800
330.867.2144 (FAX)

1124 McKinley Ave. NW
Canton, Ohio 44703
330.454.8049
330.454.3390 (FAX)

**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**

Wayne County Family and Children First Council
Wayne County
2345 Gateway Drive Suite C
Wooster, Ohio 44691

To the Members of Council:

We have audited the accompanying financial statement of the Wayne County Family and Children First Council, (the Council) as of and for the year ended June 30, 2009, and have issued our report thereon dated December 15, 2009. 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 Council's internal control over financial reporting in order to determine our auditing 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 Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that is more than inconsequential will not be prevented or detected by the Council's internal control.

A material weakness is a significant deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Council's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's 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 that are required to be reported under Government Auditing Standards.

Wayne County Family and Children First Council
Wayne County
Report on Internal Control over Financial Reporting
Page 2.

This report is intended for the information and use of the audit committee, management, the Members of the Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Linc, Malachin, Dennis & Dimengo, Inc.

Linc, Malachin, Dennis & Dimengo, Inc.
Akron, OH

December 15, 2009

1915 West Market St., Ste. 900
Akron, Ohio 44313
330.867.2800
330.867.2144 (FAX)

1124 McKinley Ave. NW
Canton, Ohio 44703
330.454.8049
330.454.3390 (FAX)

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Wayne County Family and Children First Council
Wayne County
2345 Gateway Drive Suite C
Wooster, Ohio 44691

Members of the Council:

Compliance

We have audited the compliance of the Wayne County Family and Children First Council, (the Council), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

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

In our opinion, the Council complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned job functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the organization's internal control.

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

This report is intended for the information and use of the audit committee, management, the Members of the Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Linc, Malachin, Dennis & Dimengo, Inc.

Linc, Malachin, Dennis & Dimengo, Inc.
Akron, Ohio

December 15, 2009

**WAYNE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
WAYNE COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 § .505
JUNE 30, 2009**

1. SUMMARY OF AUDITOR'S RESULTS

(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies in internal control for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under § .510?	No
(d) (1) (vii)	Major Programs (list):	Child & Family Health Services Grant CFDA #93.994 Early Intervention Grant CFDA #84.181 Fast Grant CFDA #93.556
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d) (1) (ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



Mary Taylor, CPA
Auditor of State

FAMILY AND CHILDREN FIRST COUNCIL

WAYNE 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
MARCH 23, 2010**