



Dave Yost • Auditor of State



**FAMILY AND CHILDREN FIRST COUNCIL  
WYANDOT COUNTY**

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# Dave Yost • Auditor of State

Family and Children First Council  
Wyandot County  
123 East Walker Street  
Upper Sandusky, Ohio 43351

To the Family and Children First Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Council to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Dave Yost".

**Dave Yost**  
Auditor of State

November 21, 2011

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council  
Wyandot County  
123 East Walker Street  
Upper Sandusky, Ohio 43351

To the Family and Children First Council:

We have audited the accompanying financial statements of the Family and Children First Council, Wyandot County, Ohio, (the Council) as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Council's larger (i.e. major) funds separately. While the Council does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Councils to reformat their statements. The Council has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Family and Children First Council, Wyandot County, Ohio, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As discussed in Note 6, the Council restated January 1, 2009 fund balance in the Special Revenue and General Fund due to adjustment of previously reported receipts and disbursements.

The Council has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2011, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



**Dave Yost**  
Auditor of State

November 21, 2011

**FAMILY & CHILDREN FIRST COUNCIL  
WYANDOT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b>General</b>	<b>Special Revenue</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Intergovernmental	\$ 49,156	\$ 14,382	\$ 63,538
Member Contributions	7,500	-	7,500
Miscellaneous	1,708	-	1,708
	<b>58,364</b>	<b>14,382</b>	<b>72,746</b>
<b>Cash Disbursements:</b>			
Current:			
Salaries	42,246	-	42,246
Retirement	5,474	216	5,690
Medicare	612	-	612
Workers' Compensation	351	569	920
Travel	963	358	1,321
Purchased & Contracted Services	8,203	6,372	14,575
Supplies	936	440	1,376
Other	3,680	3,496	7,176
	<b>62,465</b>	<b>11,451</b>	<b>73,916</b>
Total Cash Receipts Over/(Under) Cash Disbursements	(4,101)	2,931	(1,170)
Fund Cash Balances, January 1, 2010	31,512	4,569	36,081
<b>Fund Cash Balances, December 31, 2010</b>	<b>\$ 27,411</b>	<b>\$ 7,500</b>	<b>\$ 34,911</b>

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

**FAMILY & CHILDREN FIRST COUNCIL  
WYANDOT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Intergovernmental	\$ 26,879	\$ 30,650	\$ 57,529
Member Contributions	7,750	-	7,750
Miscellaneous	38,186	40	38,226
	<u>72,815</u>	<u>30,690</u>	<u>103,505</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
Salaries	25,200	37,814	63,014
Retirement	3,737	5,280	9,017
Medicare	344	548	892
Insurance	5,101	-	5,101
Workers' Compensation	654	564	1,218
Travel	493	975	1,468
Purchased & Contracted Services	36,681	4,939	41,620
Supplies	795	3,838	4,633
Other	3,006	1,320	4,326
	<u>76,011</u>	<u>55,278</u>	<u>131,289</u>
<b>Total Cash Disbursements</b>			
Total Cash Receipts Under Cash Disbursements	(3,196)	(24,588)	(27,784)
Fund Cash Balances, January 1, 2009 (restated)	<u>34,708</u>	<u>29,157</u>	<u>63,865</u>
<b>Fund Cash Balances, December 31, 2009</b>	<b><u>\$ 31,512</u></b>	<b><u>\$ 4,569</u></b>	<b><u>\$ 36,081</u></b>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Section 121.37 of the Ohio Revised Code created the Ohio Family and Children First Cabinet Council and requires 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 per cent of the council's 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 director of both boards;
- c. The health commissioner, or the commissioner's designee, of the board of health of each city and general health district in the county;
- 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 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 board of county commissioners 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 from 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 Disabilities Education Act of 2004";
- n. A representative of the local nonprofit entity that funds, advocates, or provides services to children and families.

**FAMILY AND CHILDREN FIRST COUNCIL  
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

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

**A. Description of the Entity (Continued)**

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the county council cannot provide adequate services;
- b. Develop and implement 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, multi-disciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the department of health for early intervention services under the "Individuals with Disabilities Education Act of 2004";
- 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.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Council recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

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

**C. Fund Accounting**

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

**1. General Fund**

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

**FAMILY AND CHILDREN FIRST COUNCIL  
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

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

**C. Fund Accounting (Continued)**

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Council had the following significant Special Revenue Funds:

ABC Grant Fund – This fund receives state grant money to provide support and services for children with behavioral health and qualified non-behavioral health needs and their families across all child-serving systems, with a focus on child welfare and juvenile justice.

Ohio Children’s Trust Grant Fund – This fund receives state grant money to provide programs for the purpose of preventing child abuse and child neglect.

**D. Fiscal Agent**

The Wyandot County Treasurer is the Council’s fiscal agent. Council funds are maintained in separate agency funds at the County.

**E. Budgetary Process**

Ohio Revised Code requires the Council to submit an expenditure budget annually to its administrative agent, the county auditor, and the board of county commissioners. The Council adopted a budget at the object level.

**F. Property, Plant, and Equipment**

The Council records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. EQUITY IN POOLED CASH**

The Wyandot County Treasurer maintains a cash pool used by all of the county’s funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council’s carrying amount of cash on deposit with the county at December 31, 2010 and 2009 was \$34,911 and \$36,081, respectively. The Wyandot County Treasurer, as fiscal agent for the County and also the Council, is responsible for maintaining adequate depository collateral for all funds in the County’s pooled and deposit accounts.

**FAMILY AND CHILDREN FIRST COUNCIL  
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**3. RETIREMENT SYSTEM**

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

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10% of their gross salaries and the Council contributed an amount equaling 14% of participants' gross salaries. The Council has paid all contributions required through December 31, 2010.

**4. IN-KIND CONTRIBUTIONS**

Wyandot County donated free rent to the Council from January through November 2009. Beginning in December 2009, the Council no longer used the County's office space.

**5. RISK MANAGEMENT**

Insurance for comprehensive property and general liability is provided by Wyandot County.

**6. FUND BALANCE RESTATEMENT**

Receipts and disbursements reported in fiscal years prior to January 1, 2009 in the General Fund as a result of misclassifications were adjusted to the Partnerships for Success Grant and Access to Better Care Grant Special Revenue Funds by the Council at January 1, 2009. The adjustment of these receipts and disbursements had the following effect on the fund balances as previously reported at December 31, 2008:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Fund Cash Balance 12/31/08	\$ 17,782	\$ 46,083
Partnerships for Success Grant Adjustment	(23,682)	23,682
Access to Better Care Grant Adjustment	40,608	(40,608)
Restated Fund Cash Balance 01/01/09	<u>\$ 34,708</u>	<u>\$ 29,157</u>



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Family and Children First Council  
Wyandot County  
123 East Walker Street  
Upper Sandusky, Ohio 43351

To the Family and Children First Council:

We have audited the financial statements of the Family and Children First Council, Wyandot County, Ohio, (the Council) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated November 21, 2011, wherein we noted the Council followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Council restated January 1, 2009 fund balances in the Special Revenue and General Funds due to the adjustment of previously reported receipts and disbursements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and timely corrected. We consider finding 2010-001 described in the accompanying schedule of findings to be a material weakness.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2010-001.

We also noted a certain matter not requiring inclusion in this report that we reported to the Council's management in a separate letter dated November 21, 2011.

The Council's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Council's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the finance committee, management, the Council, and others within the Council. We intend it for no one other than these specified parties.



**Dave Yost**  
Auditor of State

November 21, 2011

**FAMILY AND CHILDREN FIRST  
WYANDOT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2010 AND 2009**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>Finding Number</b>	2010-001
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**Establishment of Funds  
Noncompliance / Material Weakness**

Ohio Rev. Code § 3109.18(A)(1) provides in part that a board of county commissioners may designate the county family and children first council to serve as the child abuse and child neglect prevention advisory board. Further, Ohio Rev. Code § 3109.18(B) states in part that the auditor who has been designated as the auditor and fiscal officer of the advisory board shall establish a fund in the county treasury known as the county or district children's trust fund. The auditor shall deposit all funds received from the children's trust fund board into that fund and the auditor shall distribute money from the fund at the request of the advisory board.

In 2010 and 2009, the Council received Ohio Children's Trust Fund (OCTF) grant monies from the Ohio Department of Job and Family Services. The Council, however, did not establish a county children's trust fund and instead deposited Ohio Children's Trust Fund (OCTF) grant monies into their general operating fund. The activity from these grant monies in 2010 and 2009 included \$14,382 and \$14,493 in receipts and \$6,372 and \$14,493 in disbursements, respectively.

We recommend the Council establish separate funds to account for grant revenue and expenditure activity, segregated from the general operating financial activity of the Council. By establishing these funds, the Council can gain assurance that revenues derived from grant monies restricted for specific purposes are segregated from general operating funds, and that the expenditures being paid for with these restricted funds are earmarked for that purpose. The Council's accounting records and financial statements have been adjusted to reflect this activity.

**Officials' Response**

Wyandot County Family and Children First has established a fund to account for the Ohio Children's Trust Fund (OCTF) grant revenue and expenditure activity separate from the general operating financial activity of the Council effective for the SFY 2012 grant.

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# Dave Yost • Auditor of State

WYANDOT FAMILY AND CHILDREN FIRST

WYANDOT 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  
DECEMBER 13, 2011