



Dave Yost • Auditor of State



**COLUMBIANA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
COLUMBIANA COUNTY**

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# Dave Yost • Auditor of State

Columbiana County Family and Children First Council  
Columbiana County  
PO Box 315  
Lisbon, Ohio 44432

To the Mandated Member Council:

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

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

**Dave Yost**  
Auditor of State

January 6, 2012

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Columbiana County Family and Children First Council  
Columbiana County  
PO Box 315  
Lisbon, Ohio 44432

To the Mandated Member Council:

We have audited the accompanying financial statements of the Columbiana County Family and Children First Council, Columbiana County, (the Council) as of and for the years ended June 30, 2011 and 2010. 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 second 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 third following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended June 30, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council as of June 30, 2011 and 2010, or its changes in financial position for the years then ended.

For 2011, the Auditor of State required the Council to adopt Governmental Accounting Standards Board Statement No.54, Fund Balance Reporting and Governmental Fund Type Definitions. The Council elected not to adopt GASB 54 for 2011.

Also, in our opinion, except for the effects of not implementing Governmental Accounting Standards Board Statement No.54, Fund Balance Reporting and Governmental Fund Type Definitions, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Columbiana County Family and Children First Council, Columbiana County, as of June 30, 2011, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

Finally, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Columbiana County Family and Children First Council, Columbiana County, as of June 30, 2010, and its combined cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2012, 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

January 6, 2012

**COLUMBIANA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2011**

|  | <u>Governmental Fund Types</u> |                            | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|--------------------------------|----------------------------|---|
|  | <u>General</u>                 | <u>Special<br/>Revenue</u> |   |
| <b>Cash Receipts:</b>  |                                |                            |   |
| Intergovernmental  | \$17,069                       | \$472,707                  | \$489,776                               |
| Local Governmental Agencies  | 1,285                          | 94,368                     | 95,653                                  |
| Miscellaneous  | 48,506                         | 26,839                     | 75,345                                  |
|  | <u>66,860</u>                  | <u>593,914</u>             | <u>660,774</u>                          |
| Total Cash Receipts  |                                |                            |   |
| <b>Cash Disbursements:</b>   |                                |                            |   |
| Current:   |                                |                            |   |
| Salaries   | 62,902                         | 91,750                     | 154,652                                 |
| Supplies and Materials   | 163                            | 1,588                      | 1,751                                   |
| Travel   | 623                            | 2,316                      | 2,939                                   |
| Miscellaneous  |                                | 7,541                      | 7,541                                   |
| Program Disbursements  | 1,398                          | 470,533                    | 471,931                                 |
|  | <u>65,086</u>                  | <u>573,728</u>             | <u>638,814</u>                          |
| Total Cash Disbursements   |                                |                            |   |
| Total Receipts Over Disbursements  | <u>1,774</u>                   | <u>20,186</u>              | <u>21,960</u>                           |
| Advances-In  |                                | 16,804                     | 16,804                                  |
| Advances-Out   | (16,804)                       |                            | (16,804)                                |
|  | <u>(16,804)</u>                | <u>16,804</u>              | <u>0</u>                                |
| Total Other Financing Receipts / (Disbursements)   |                                |                            |   |
| Excess of Cash Receipts and Other Financing<br>Receipts Over Cash Disbursements and Other<br>Financing Disbursements | (15,030)                       | 36,990                     | 21,960                                  |
| Fund Cash Balances, July 1, 2010   | <u>78,162</u>                  | <u>17,941</u>              | <u>96,103</u>                           |
| <b>Fund Cash Balances, June 30, 2011</b>   | <b><u>\$63,132</u></b>         | <b><u>\$54,931</u></b>     | <b><u>\$118,063</u></b>                 |

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

**COLUMBIANA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2010**

|   | <u>Governmental Fund Types</u> |                            | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|---|--------------------------------|----------------------------|---|
|   | <u>General</u>                 | <u>Special<br/>Revenue</u> |   |
| <b>Cash Receipts:</b>   |                                |                            |   |
| Intergovernmental   | \$16,257                       | \$465,335                  | \$481,592                               |
| Local Governmental Agencies   | 2,047                          | 161,699                    | 163,746                                 |
| Miscellaneous   | 32,900                         | 6,804                      | 39,704                                  |
|   | <u>51,204</u>                  | <u>633,838</u>             | <u>685,042</u>                          |
| <b>Total Cash Receipts</b>  |                                |                            |   |
|   | <u>51,204</u>                  | <u>633,838</u>             | <u>685,042</u>                          |
| <b>Cash Disbursements:</b>  |                                |                            |   |
| Salaries  | 58,147                         | 112,086                    | 170,233                                 |
| Supplies and Materials  | 74                             | 2,502                      | 2,576                                   |
| Travel  | 1,586                          | 5,725                      | 7,311                                   |
| Miscellaneous   |                                | 910                        | 910                                     |
| Program Disbursements   | 15,750                         | 493,150                    | 508,900                                 |
|   | <u>75,557</u>                  | <u>614,373</u>             | <u>689,930</u>                          |
| <b>Total Cash Disbursements</b>   |                                |                            |   |
|   | <u>75,557</u>                  | <u>614,373</u>             | <u>689,930</u>                          |
| <b>Total Receipts Over Disbursements</b>  | <u>(24,353)</u>                | <u>19,465</u>              | <u>(4,888)</u>                          |
| <b>Other Financing Receipts / (Disbursements):</b>  |                                |                            |   |
| Advances-In   | 13,221                         |                            | 13,221                                  |
| Advances-Out  |                                | (13,221)                   | (13,221)                                |
|   | <u>13,221</u>                  | <u>(13,221)</u>            | <u>0</u>                                |
| <b>Total Other Financing Receipts / (Disbursements)</b>   |                                |                            |   |
|   | <u>13,221</u>                  | <u>(13,221)</u>            | <u>0</u>                                |
| <b>Excess of Cash Receipts and Other Financing<br/>Receipts Over Cash Disbursements and Other<br/>Financing Disbursements</b> | <u>(11,132)</u>                | <u>6,244</u>               | <u>(4,888)</u>                          |
| <b>Fund Cash Balances, July 1, 2009</b>   | <u>89,294</u>                  | <u>11,697</u>              | <u>100,991</u>                          |
| <b>Fund Cash Balances, June 30, 2010</b>  | <u><b>\$78,162</b></u>         | <u><b>\$17,941</b></u>     | <u><b>\$96,103</b></u>                  |
| <b>Reserve for Encumbrances, December 31</b>  | <u><b>\$0</b></u>              | <u><b>\$0</b></u>          | <u><b>\$0</b></u>                       |

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

**COLUMBIANA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010**

**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 county council consists of the following individuals:

- a. The director of the board of alcohol, drug addiction, and mental health services that serves the county, or, in the case of a county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards;
- b. The health commissioner of the board of health of each city or general health district in the county, or their designees;
- c. The director of the county department of job and family services;
- d. The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code;
- e. The superintendent of the county board of mental retardation and developmental disabilities;
- f. The county's juvenile court judge senior in service;
- g. The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each county of its determination at least biennially;
- h. A school superintendent representing all other school districts with territory in the county, as designated at a biennial meeting of the superintendents of those districts;
- i. A representative of the largest city in the county;
- j. The chair of the board of county commissioners, or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county's head start agencies, as defined in Section 3301.31 of the Revised Code;
- m. A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "Education of the Handicapped Act Amendments of 2004";
- n. At least three individuals representing the interests of families in the county. Where possible, the number of members representing families shall be equal to twenty percent of the council's remaining membership.

**COLUMBIANA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010  
(Continued)**

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

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

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. Make periodic reports to the cabinet council regarding the number of children referred to the county council and the programs made in meeting the needs of each child;
- c. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invents new approaches to achieve better results for families and children;
- d. Participate in the development of a county wide, comprehensive, coordinated, 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";
- e. Maintain an accountability system to monitor the council's progress in achieving its purposes;
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services with the county system.

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

**2. 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**COLUMBIANA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010  
(Continued)**

**2. ACCOUNTING BASIS - (Continued)**

**A. Fund Accounting**

The Council uses fund accounting to segregate cash and investments that are 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.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Council had the following significant Special Revenue Funds:

*Help Me Grow* - This fund receives monies from the Ohio Department of Health, the State of Ohio GRF, and ARRA to provide services to expectant parents and families with children from birth to three years of age, to promote positive health and development.

*Home Choice* – This fund receives monies from the Ohio Department of Job and Family Services to provide support services to qualified youth and families during and after an out-of-home placement. The focus is on provision of care in the least restrictive environment for the shortest possible time – while ensuring the health and safety of the youth, family and community after the youth returns home.

**B. Administrative Agent/Fiscal Agent**

The Council designates a fiscal agent for all funds received in the name of the Council. The Columbiana County Department of Mental Health and Recovery Services Board serves as the administrative agent for the Council. The Columbiana County Auditor is the designated fiscal agent for the Department of Mental Health and Recovery Services Board.

**C. Budgetary Process**

The Ohio Revised Code requires the Council to file an annual budget with its administrative agent, with copies filed with the county auditor and with the board of county commissioners, unless the board is serving as the Council's administrative agent. The Council's administrative agent is to ensure that all expenditures are handled in accordance with policies, procedures, and activities prescribed by state departments in rules or interagency agreements that are applicable to the Council's functions.

A summary of 2011 and 2010 budgetary activity appear in Note 4.

**D. 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.

**COLUMBIANA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010  
(Continued)**

**2. ACCOUNTING BASIS - (Continued)**

**E. 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.

**3. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

The Columbiana Family and Children First Council funds are maintained by the Fiscal Agent through Columbiana County depositories. The Ohio Revised Code prescribes allowable deposits. The Council's carrying amount of cash on deposit with the Fiscal Agent at June 30, 2011 was \$118,063 and June 30, 2010 was \$96,103. Columbiana County requires the financial institutions to maintain adequate collateral for all funds, including the Family and Children First Council funds.

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ending June 30, 2011 and 2010 follows:

**2011 Budgeted vs. Actual Receipts**

| Fund Type       | Budgeted<br>Receipts | Actual<br>Receipts | Variance          |
|-----------------|----------------------|--------------------|-------------------|
| General         | \$55,569             | \$66,860           | \$11,291          |
| Special Revenue | 693,315              | 593,914            | (99,401)          |
| Total           | <u>\$748,884</u>     | <u>\$660,774</u>   | <u>(\$88,110)</u> |

**2011 Budgeted vs. Actual Budgetary Basis Expenditures**

| Fund Type       | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance         |
|-----------------|----------------------------|---------------------------|------------------|
| General         | \$97,976                   | \$65,086                  | \$32,890         |
| Special Revenue | 693,315                    | 573,728                   | 119,587          |
| Total           | <u>\$791,291</u>           | <u>\$638,814</u>          | <u>\$152,477</u> |

**2010 Budgeted vs. Actual Receipts**

| Fund Type       | Budgeted<br>Receipts | Actual<br>Receipts | Variance        |
|-----------------|----------------------|--------------------|-----------------|
| General         | \$54,957             | \$51,204           | (\$3,753)       |
| Special Revenue | 619,175              | 633,838            | 14,663          |
| Total           | <u>\$674,132</u>     | <u>\$685,042</u>   | <u>\$10,910</u> |

**COLUMBIANA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010  
(Continued)**

**4. BUDGETARY ACTIVITY – (Continued)**

| 2010 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |            |
|---|----------------------------|---------------------------|------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance   |
| General   | \$60,055                   | \$75,557                  | (\$15,502) |
| Special Revenue                                       | 619,175                    | 614,373                   | 4,802      |
| Total   | \$679,230                  | \$689,930                 | (\$10,700) |

**5. RETIREMENT SYSTEMS**

The Council's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan benefits, which include postretirement healthcare and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, 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 June 30, 2011.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Council has obtained commercial insurance for the following risks through Columbiana County:

- Comprehensive property and general liability;
- Errors and omissions.

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# 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*

Columbiana County Family and Children First Council  
Columbiana County  
PO Box 315  
Lisbon, Ohio 44432

To the Mandated Member Council:

We have audited the financial statements of the Columbiana County Family and Children First Council, Columbiana County, (the Council) as of and for the years ended June 30, 2011 and 2010 and have issued our report thereon dated January 6, 2012, 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. For the period ending June 30, 2011, we also noted the Council didn't adopt Governmental Accounting Standards Board Statement No. 54. 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.

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

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

### Compliance and Other Matters

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

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



**Dave Yost**  
Auditor of State

January 6, 2012



# Dave Yost • Auditor of State

**COLUMBIANA COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**COLUMBIANA 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 8, 2012**