



Dave Yost • Auditor of State



**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council  
Fulton County  
606 South Shoop Avenue  
Wauseon, Ohio 43567-1712

To the Council:

We have audited the accompanying financial statements of the governmental activities and each major fund of Family and Children First Council, Fulton County, Ohio (the Council), as of and for the year ended December 31, 2011, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

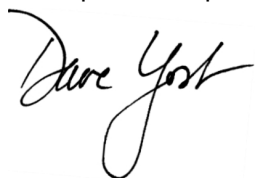
As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and each major fund of Family and Children First Council, Fulton County, Ohio as of December 31, 2011, and the respective changes in cash financial position, thereof and the respective budgetary comparison for the General and Restricted Funds thereof for the year then ended in conformity with the accounting basis Note 2 describes.

As described in Note 3, during 2011 the Family and Children First Council, Fulton County, Ohio adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 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.

We conducted our audit to opine on the Council's financial statements taken as a whole. Management's Discussion and Analysis includes tables of net assets, changes in net assets, and governmental activities. These tables provide additional information, but are not part of the basic financial statements. However these tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion and Analysis, and we express no opinion or any other assurance on it.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

August 16, 2012

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
UNAUDITED**

The discussion and analysis of the Family and Children First Council's (the Council) financial performance provides an overall review of the Council's financial activities for the year ended December 31, 2011, within the limitations of the Council's cash basis of accounting. The intent of this discussion and analysis is to look at the Council's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Council's financial performance.

**Financial Highlights**

Key financial highlights for the year 2011 are as follows:

- Net assets increased by \$8,026 for 2011.
- Program specific receipts in the form of operating grants comprise the largest percentage of the Council's receipts, making up 99% of all the dollars coming into the Council. General receipts in the form of miscellaneous make up the other 1%.
- The Council had \$363,561 in disbursements during 2011. We received monies from Drug Free Communities, Drug Free Youth, Ohio Department of Health, Northwest Ohio Service Educational Center for 21<sup>st</sup> Century monies, for JAG, for Ohio Children's Trust Fund and from Ohio Department of Mental Health.

**Using the Basic Financial Statements**

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

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Council as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on the cash basis of accounting.

The Statement of Net Assets – Cash Basis and Statement of Activities – Cash Basis provide information about the activities of the whole Council, presenting both an aggregate view of the Council's finances and a longer-term view of those finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Council as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Council has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Council's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
UNAUDITED**

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

***Reporting the Council as a Whole***

The statement of net assets and the statement of activities reflect how the Council did financially during 2011, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balances of the governmental activities of the Council at year end. The Statement of Activities – Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the Council's general receipts.

These statements report the Council's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Council's financial health. Over time, increases or decreases in the Council's cash position is one indicator of whether the Council's financial health is improving or deteriorating. When evaluating the Council's financial condition, you should also consider other non-financial factors as well, such as the condition of the Council's capital assets, the reliance on non-local financial resources for operations, and the need for continued growth.

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis present governmental activities, which include all the Council's services. The Council has no business-type activities.

***Reporting the Council's Most Significant Funds***

*Fund Financial Statements*

Fund financial statements provide detailed information about the Council's major funds – not the Council as a whole. The Council establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the operating funds of the Council are governmental.

**Governmental Funds** - The Council's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the Council's governmental operations and the health services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Council's health programs. The Council's significant governmental funds are presented on the financial statements in separate columns. The Council's major governmental funds are the General Fund and the Restricted Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.



**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
UNAUDITED**

**The Council as a Whole**

Table 1 provides a summary of the Council's net assets for 2011 compared to 2010 on the cash basis:

**Table 1  
Net Assets – Cash Basis**

	<b>Governmental Activities</b>		
	<b>2011</b>	<b>2010</b>	<b>Change</b>
Assets			
Cash with Fiscal Agent	<u>\$66,866</u>	<u>\$58,840</u>	<u>\$ 8,026</u>
Net Assets			
Restricted	46,357	46,194	163
Unrestricted	20,509	12,646	7,863
Total Net Assets	<u>\$66,866</u>	<u>\$58,840</u>	<u>\$ 8,026</u>

As mentioned previously, net assets increased \$8,026. The increase was due to restricted funds being able to pay our Family First Coordinator in 2011 for many of her services.

Table 2 reflects the change in net assets in 2011 and provides a comparison to prior year amounts.

**Table 2  
Changes in Net Assets**

	<b>Governmental Activities</b>		
	<b>2011</b>	<b>2010</b>	<b>Change</b>
<b>Receipts</b>			
Program Cash Receipts			
Charges for Services and Sales	\$ 5,579	\$ 5,584	\$ (5)
Operating Grants and Contributions	<u>362,395</u>	<u>381,023</u>	<u>(18,628)</u>
Total Program Cash Receipts	<u>367,974</u>	<u>386,607</u>	<u>(18,633)</u>
General Receipts			
Gifts and Contributions	3,582	1,100	2,482
Miscellaneous	31	1,298	(1,267)
Total General Receipts	<u>3,613</u>	<u>2,398</u>	<u>1,215</u>
<b>Total Receipts</b>	<u>371,587</u>	<u>389,005</u>	<u>(17,418)</u>
<b>Disbursements</b>			
General	7,890	12,290	4,400
Restricted	<u>355,671</u>	<u>377,130</u>	<u>21,459</u>
<b>Total Disbursements</b>	<u>363,561</u>	<u>389,420</u>	<u>25,859</u>
<b>Change in Net Assets</b>	8,026	(415)	8,441
<b>Net Assets Beginning of Year</b>	<u>58,840</u>	<u>59,255</u>	<u>(415)</u>
<b>Net Assets End of Year</b>	<u>\$ 66,866</u>	<u>\$ 58,840</u>	<u>\$ 8,026</u>

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
UNAUDITED**

In 2011, 99 percent of the Council's total receipts were from program receipts, consisting mainly of grants from the Ohio Department of Health.

**Governmental Activities**

If you look at the Statement of Activities – Cash Basis, you will see that the first column lists the major services provided by the Council. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for General and Restricted programs, which account for 2% and 98% of all governmental disbursements, respectively. The net cost column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service which ends up being paid from money provided by state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost for both the current and prior years is presented in Table 3.

**Table 3  
Governmental Activities**

	<u>Total Cost of Services 2011</u>	<u>Net Cost of Services 2011</u>	<u>Total Cost of Services 2010</u>	<u>Net Cost of Services 2010</u>
General	\$ 7,890	\$ 7,860	\$ 12,290	\$ (4,779)
Restricted	355,671	(3,447)	377,130	7,592
<b>Totals</b>	<u>\$ 363,561</u>	<u>\$ 4,413</u>	<u>\$ 389,420</u>	<u>\$ 2,813</u>

**The Council's Funds**

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

The focus of the Council's governmental funds is to provide information on receipts, disbursements, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements.

At the end of 2011, the Council's governmental funds reported total ending fund balances of \$66,866.

The General Fund is the chief operating fund of the Council. At the end of 2011, the fund balance in the General Fund was \$20,509.

Revenues exceeded expenditures in the General Fund by \$7,863 in 2011. Intergovernmental revenues consist of a grant received from the Ohio Department of Health. Salaries and benefits account for the majority of expenditures in the General Fund.

The Restricted Fund accounts for grant monies for the Help Me Grow Program. The Help Me Grow program is for Ohio's expectant parents, newborns, infants, and toddlers and provides health and developmental services so children start school healthy and ready to learn. This fund also accounts for monies from the Ohio Child Trust Fund, JAG, FCSS, Drug-Free Action Alliance, Drug Free Communities and 21<sup>st</sup> Century monies. At the end of 2011, the total fund balance was \$46,357.

**General Fund Budgeting Highlights**

The Council's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances.

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
UNAUDITED**

During the course of 2011, the Council amended its appropriations several times, and the budgetary statement reflects both the original and final appropriated amounts. There was a 28% decrease between the original and the final estimated receipts due to the state granting us less money for this fund. The General Fund's actual revenues were less than anticipated along with overestimating miscellaneous revenue. This decrease in revenue resulted in the Council spending less than budgeted.

**Contacting the Council's Financial Management**

This financial report is designed to provide our citizens and readers with a general overview of the Council's finances and to reflect the Council's accountability for the money it receives. Questions concerning any of the information in this report, or requests for additional information, should be directed to Jane Sauder, Fiscal Officer Supervisor, Fulton County Health Department, 606 S. Shoop Ave, Wauseon, OH 43567.

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**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY  
Statement of Net Assets - Cash Basis  
December 31, 2011**

	Governmental Activities
<b>Assets</b>	
Cash with Fiscal Agent	
	<u>\$ 66,866</u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	46,357
Unrestricted	<u>20,509</u>
<i>Total Net Assets</i>	<u>\$ 66,866</u>

See accompanying notes to the basic financial statements

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY  
Statement of Activities - Cash Basis  
For the Year Ended December 31, 2011**

	Disbursements	Program Receipts		Net (Disbursements) and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
General	\$ 7,890		\$ 15,750	\$ 7,860
Restricted	355,671	5,579	346,645	(3,447)
<i>Total Governmental Activities</i>	<u>363,561</u>	<u>5,579</u>	<u>362,395</u>	<u>4,413</u>
		<b>General Receipts</b>		
		Gifts and Contributions		3,582
		Miscellaneous		31
		<i>Total General Receipts</i>		<u>3,613</u>
		Change in Net Assets		8,026
		<i>Net Assets Beginning of Year</i>		<u>58,840</u>
		<i>Net Assets End of Year</i>		<u>\$ 66,866</u>

See accompanying notes to the basic financial statements

**FAMILY AND CHILDREN FIRST COUNCIL**  
**FULTON COUNTY**  
**Statement of Cash Basis Assets and Fund Balances**  
**Governmental Funds**  
**December 31, 2011**

	General	Restricted	Total Governmental Funds
<b>Assets</b>			
Cash with Fiscal Agent	\$ 20,509	\$ 46,357	\$ 66,866
<b>Fund Balances</b>			
Restricted		44,116	44,116
Committed		2,241	2,241
Unassigned	20,509		20,509
<i>Total Fund Balances</i>	<u>\$ 20,509</u>	<u>\$ 46,357</u>	<u>\$ 66,866</u>

See accompanying notes to the basic financial statements

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**  
**Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2011**

	General	Restricted	Total Governmental Funds
<b>Receipts</b>			
Intergovernmental	\$ 15,750	\$ 346,645	362,395
Contractual Services		5,579	5,579
Gifts and Contributions		3,582	3,582
Miscellaneous	3	28	31
<i>Total Receipts</i>	<u>15,753</u>	<u>355,834</u>	<u>371,587</u>
<b>Disbursements</b>			
Salaries	6,302	87,821	94,123
Supplies	143	31,871	32,014
Contract	160	152,475	152,635
Advertising		243	243
Travel and Expense	268	12,167	12,435
Medicare Tax	94	1,254	1,348
Insurance		724	724
PERS	785	11,560	12,345
Workers Comp	138	1,390	1,528
Equipment		1,367	1,367
Other		54,799	54,799
<i>Total Disbursements</i>	<u>7,890</u>	<u>355,671</u>	<u>363,561</u>
<i>Net Change in Fund Balances</i>	7,863	163	8,026
<i>Fund Balances Beginning of Year</i>	<u>12,646</u>	<u>46,194</u>	<u>58,840</u>
<i>Fund Balances End of Year</i>	<u>\$ 20,509</u>	<u>\$ 46,357</u>	<u>\$ 66,866</u>

See accompanying notes to the basic financial statements



**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY  
Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
General Fund  
For the Year Ended December 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental	\$ 18,000	\$ 15,750	\$ 15,750	
Miscellaneous	3,768	18	3	(15)
<i>Total Receipts</i>	<u>21,768</u>	<u>15,768</u>	<u>15,753</u>	<u>(15)</u>
<b>Disbursements</b>				
General Health				
Salary	15,000	11,362	6,302	5,060
Supplies	1,000	1,000	143	857
Contract	500	500	160	340
Travel and Expense	1,500	1,500	268	1,232
Medicare Tax	218	218	94	124
PERS	2,100	1,050	785	265
Workers Compensation	450	138	138	
Other	1,000			
<i>Total Disbursements</i>	<u>21,768</u>	<u>15,768</u>	<u>7,890</u>	<u>7,878</u>
<i>Net Change in Fund Balance</i>			7,863	7,863
<i>Fund Balance Beginning of Year</i>	<u>12,646</u>	<u>12,646</u>	<u>12,646</u>	
<i>Fund Balance End of Year</i>	<u>\$ 12,646</u>	<u>\$ 12,646</u>	<u>\$ 20,509</u>	<u>\$ 7,863</u>

See accompanying notes to the basic financial statements

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY  
Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Restricted Fund  
For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental Revenue	\$ 203,313	\$ 217,088	\$ 346,645	\$ 129,557
Contracts	130,000	136,327	5,579	(130,748)
Gifts and Contributions			3,582	3,582
Miscellaneous	19,643	19,643	28	(19,615)
<i>Total Receipts</i>	<u>352,956</u>	<u>373,058</u>	<u>355,834</u>	<u>(17,224)</u>
<b>Disbursements</b>				
Salary	87,750	87,821	87,821	
Supplies	46,400	37,405	31,871	5,534
Equipment	2,000	1,367	1,367	
Contract	141,525	172,698	163,475	9,223
Advertising	3,500	1,862	243	1,619
Travel and Expense	15,000	12,500	12,167	333
Medicare Tax	1,310	1,310	1,254	56
Insurance	1,200	724	724	
PERS	12,325	11,560	11,560	
Workers Compensation	1,525	1,390	1,390	
Other	51,946	55,946	54,799	1,147
<i>Total Disbursements</i>	<u>364,481</u>	<u>384,583</u>	<u>366,671</u>	<u>17,912</u>
<i>Net Change in Fund Balance</i>	(11,525)	(11,525)	(10,837)	688
Prior Year Encumbrances Appropriated	11,525	11,525	11,525	
<i>Fund Balance Beginning of Year</i>	<u>34,669</u>	<u>34,669</u>	<u>34,669</u>	
<i>Fund Balance End of Year</i>	<u>\$ 34,669</u>	<u>\$ 34,669</u>	<u>\$ 35,357</u>	<u>\$ 688</u>

See accompanying notes to the basic financial statements

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**Note 1 – Reporting Entity**

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

- a. The director of the board of alcohol, drug addiction, and mental health services that serves the county, or, in the case of a county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards;
- b. The health commissioner of the board of health of each city or general health district in the county, or their designees;
- c. The director of the county department of human 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 1986"; and;
- n. At least three individuals representing the interest of families in the county. Where possible, the number of members representing families shall be equal to 20 percent of the council's remaining membership.

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.

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**Note 1 – Reporting Entity (Continued)**

***Primary Government***

The primary government consists of all funds, departments, boards and agencies that are not legally separate from 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 progress made in meeting the needs of each child;
- c. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible or invents new approaches to achieve better results for families and children;
- d. Participate in the development of a 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 "Education of the Handicapped Act Amendments of 1986";
- e. Maintain an accountability system to monitor the council's progress in achieving its purposes; and
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

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

***Public Entity Risk Pools***

The Council participates in a public entity risk pool. Note 5 to the financial statements provide additional information for this entity. This organization is the Public Entities Pool of Ohio (PEP).

**Note 2 - Summary of Significant Accounting Policies**

As discussed further in "Basis of Accounting" section of this note, these financial statements are presented on the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Council's accounting policies.

***Basis of Presentation***

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

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***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 activity of the internal service fund is eliminated to avoid "doubling up" receipts and disbursements. The statements distinguish between those activities of the Council that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Council has no business-type activities.

The statement of net assets presents the cash balance of the governmental and activities of the Council at year end. The statement of activities compares disbursements and program receipts for each program or function of the Council's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Council is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be sent back to the Ohio Department of Health. Receipts which are not classified as program receipts are presented as general receipts of the Council, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Council.

***Fund Financial Statements***

During the year, the Council segregates transactions related to certain Council functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Council at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

***Fund Accounting***

The Council uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Council are presented in one category: governmental.

**Governmental Funds** - Governmental funds are those through which most governmental functions of the Council are financed. The following are the Council's major governmental funds:

**General** - This fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Council for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Restricted** - This fund accounts for restricted grant monies for the Help Me Grow Program, 21<sup>st</sup> Century, Ohio Children's Trust Fund, Drug Free Action, Drug Free Communities, Family Centered Services and Supports, and Justice Assistance Grant.

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Basis of Accounting***

The Council's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Council's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Council are described in the appropriate section in this note.

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

***Budgetary Process***

All funds are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is the Council's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Council. The legal level of control has been established by the Council at the object level for all funds.

ORC Section 121.37(B) establishes budgetary requirements for the Council. The Council's administrative agent shall serve as the Council's appointing authority for any employees of the council. The Council shall file an annual budget with its administrative agent, with copies filed with the County Auditor and with the Board of County Commissioners. Subject to estimated resources, Council's administrative on behalf of Council may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Council.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year, including amounts automatically carried forward from prior years. The amount reported as the final budgeted amounts represents the final appropriations passed by the Council during the year.

***Cash and Investments***

The County Treasurer is the custodian for the Council's cash and investments. The County's cash and investment pool holds the Council's cash, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained by writing Beverly Schlosser, Fulton County Treasurer, 152 S Fulton Street, Wauseon, OH 43567 or by calling 419-337-9252.

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Restricted Assets***

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

***Inventory and Prepaid Items***

The Council reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements

***Accumulated Leave***

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Council's cash basis of accounting.

***Employer Contributions to Cost-Sharing Pension Plans***

The Council recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

***Net Assets***

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

The Council's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

***Fund Balance***

Fund balance is divided into classifications based primarily on the extent to which the Council is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed to*** Fund balance is reported as committed when amounts can be used only for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

The Council applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

***Interfund Transactions***

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

**Note 3 – Change in Accounting Principles**

For 2011, the Council implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”. GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB Statement No. 54 also clarifies the definitions of governmental fund types. The implementation of GASB Statement No. 54 did not have an effect on the previously reported fund balances.

**Note 4 - Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$11,000 for the Restricted Fund.

**Note 5 - Risk Management**

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2011, the Council contracted with several companies for various types of insurance as follows:

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

The Council pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.



**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**Note 5 - Risk Management (Continued)**

**Public Entity Risk Pool**

The Council belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**Casualty and Property Coverage**

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2010, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**Financial Position**

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2010 and 2009 (the latest information available).

	<b><u>2010</u></b>	<b><u>2009</u></b>
Assets	\$34,952,010	\$36,374,898
Liabilities	<u>(14,320,812)</u>	<u>(15,256,862)</u>
Net Assets	<u>\$20,631,198</u>	<u>\$21,118,036</u>

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$12.9 million and \$14.1 million of estimated incurred claims payable. The assets above also include approximately \$12.4 million and \$13.7 million of unpaid claims to be billed to approximately 454 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2011, the Council's share of these unpaid claims collectible in future years is approximately \$100.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**Note 5 - Risk Management (Continued)**

<u>Contributions to PEP</u>		
<u>2011</u>	<u>2010</u>	<u>2009</u>
\$105	\$240	\$252

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**Commercial Coverage**

Cincinnati Insurance Company holds the coverage for building contents with a \$550,000 limit and a \$500 deductible. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in coverage from the prior year.

**Employee Benefits**

The Council provided health insurance to eligible employees through a County Consortium. Life insurance is provided in the amount of \$15,000 for eligible employees and accidental death and dismemberment insurance to most employees through Ft. Dearborn Life.

**Note 6 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Plan Description – The Council participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**Note 6 - Defined Benefit Pension Plans (Continued)**

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the State and local classifications. For the year ended December 31, 2011, members in state and local classifications contributed 10 percent of covered payroll. Members in the state and local classifications may participate in all three plans. For 2011, member and employer contribution rates were consistent across all three plans.

The Council's 2011 contribution rate was 14 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4 percent for calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for calendar year 2011. Employer contribution rates are actuarially determined.

The Council's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$12,345, \$13,298, and \$11,171, respectively; 100 percent has been contributed for 2011 and 100 percent for 2010 and 2009. Contributions to the Member-Directed Plan for 2011 were \$492 made by the Council and \$351 made by plan members.

***Social Security System***

Under the Ohio Revised Code (ORC) 145.034, all employees covered by the Ohio public Employees Retirement System (OPERS) have the option to choose Social Security as their desired retirement system. As of December 31, 2011, six members of the Council have elected Social Security. The Board's liability is 6.2 percent of wages.

**Note 7 - Postemployment Benefits**

***Ohio Public Employees Retirement System***

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

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**Note 7 - Postemployment Benefits (Continued)**

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). State statute requires that public employers und post-retirement health care through contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4 percent for calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for calendar year 2011.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The Council’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$3,527, \$4,792, and \$4,666, respectively; 100 percent has been contributed for 2011 and 100 percent for 2010 and 2009.

**Note 8 – Fund Balances**

Fund balance is classified as restricted, committed, assigned and/or unassigned based primarily on the extent to which the Council is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

**Note 8 – Fund Balances (Continued)**

Fund Balances	General	Restricted	Total
<b>Restricted for</b>			
HMG Part C		(52)	(52)
HMG GRF		45,258	45,258
Ohio Children Trust Fund		(82)	(82)
Family-Centered Services & Supports		198	198
Drug Free Communities		(1,200)	(1,200)
Justice Assistance Grant		(6)	(6)
<i>Total Restricted</i>		<u>44,116</u>	<u>44,116</u>
<b>Committed to</b>			
21st Century		181	181
Access to Better Care		2,060	2,060
<i>Total Committed To</i>		<u>2,241</u>	<u>2,241</u>
<b>Unassigned</b>	<u>20,509</u>		<u>20,509</u>
<i>Total Unassigned</i>	<u>20,509</u>		<u>20,509</u>
<i>Total Fund Balances</i>	<u>\$20,509</u>	<u>\$46,357</u>	<u>\$66,866</u>

**Note 9 – Contingent Liabilities**

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor, principally the state government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 10 - Related Party**

The Council entered into contract in 2011 with the Ohio State University (OSU) Extension for a parental education series. The Ohio State University (OSU) Extension's Educator for Family and Consumer Sciences, Cheryl Spires, is a member of the Council but abstains from voting for this contract. Payments made during 2011 to the Ohio State University (OSU) Extension, in accordance with this contract was \$14,250.

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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*

Family and Children First Council  
Fulton County  
606 South Shoop Avenue  
Wauseon, Ohio 43567-1712

To the Council:

We have audited the financial statements of the governmental activities and each major fund of the Family and Children First Council, Fulton County, Ohio (the Council), as of and for the year ended December 31, 2011, which collectively comprise the Council's basic financial statements and have issued our report thereon dated August 16, 2012, wherein we noted the Council uses a comprehensive accounting basis other than generally accepted accounting principles and we noted the Council implemented GASB Statement 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*.

One Government Center, Suite 1420, Toledo, Ohio 43604-2246  
Phone: 419-245-2811 or 800-443-9276 Fax: 419-245-2484

[www.ohioauditor.gov](http://www.ohioauditor.gov)

We did note certain matters not requiring inclusion in this report that we reported to the Council's management in a separate letter dated August 16, 2012.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State

August 16, 2012





# Dave Yost • Auditor of State

FULTON FAMILY AND CHILDREN FIRST COUNCIL

FULTON 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  
SEPTEMBER 18, 2012