



Dave Yost • Auditor of State

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor’s Report	1
Management’s Discussion and Analysis - For the Fiscal Year Ended June 30, 2014	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position – Cash Basis– June 30, 2014	11
Statement of Activities – Cash Basis– For the Fiscal Year Ended June 30, 2014	12
Fund Financial Statements:	
Statement of Assets and Fund Balances – Cash Basis - Governmental Funds– June 30, 2014	13
Statement of Cash Receipts, Disbursements, and Changes In Cash Basis Fund Balances - Governmental Funds – For the Fiscal Year Ended June 30, 2014	14
Statement of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund – For the Fiscal Year Ended June 30, 2014	15
Statement of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Innovation Fund – For the Fiscal Year Ended June 30, 2014	16
Statement of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Help Me Grow – GRF Fund – For the Fiscal Year Ended June 30, 2014	17
Statement of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Help Me Grow – Part C Fund – For the Fiscal Year Ended June 30, 2014.....	18
Statement of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Drug Free Community Fund – For the Fiscal Year Ended June 30, 2014	19
Statement of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Project Child Fund – For the Fiscal Year Ended June 30, 2014	20
Notes to the Financial Statements - For the Fiscal Year Ended June 30, 2014.....	21
Management’s Discussion and Analysis - For the Fiscal Year Ended June 30, 2013	31

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**TABLE OF CONTENTS
(Continued)**

TITLE	PAGE
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position – Cash Basis – June 30, 2013	35
Statement of Activities – Cash Basis – For the Fiscal Year Ended June 30, 2013	36
Fund Financial Statements:	
Statement of Assets and Fund Balances – Cash Basis - Governmental Funds– June 30, 2013	37
Statement of Cash Receipts, Disbursements, and Changes In Cash Basis Fund Balances - Governmental Funds – For the Fiscal Year Ended June 30, 2013	38
Statement of Receipts, Disbursements, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund – For the Fiscal Year Ended June 30, 2013	39
Statement of Receipts, Disbursements, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Project Child Fund – For the Fiscal Year Ended June 30, 2013	40
Statement of Receipts, Disbursements, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Help Me Grow – GRF Fund – For the Fiscal Year Ended June 30, 2013	41
Statement of Receipts, Disbursements, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Help Me Grow – Part C Fund – For the Fiscal Year Ended June 30, 2013.....	42
Statement of Receipts, Disbursements, and Changes In Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Drug Free Community Fund – For the Fiscal Year Ended June 30, 2013	43
Notes to the Basic Financial Statements - For the Fiscal Year Ended June 30, 2013.....	45
Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Required By <i>Government Auditing Standards</i>	55
Schedule of Findings.....	57



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Family and Children First Council
Logan County
1973 SR 47 West
P.O. Box 710
Bellefontaine, Ohio 43311

To the Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Logan County Family and Children First Council, Logan County, Ohio (the Council), as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2.A describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Council's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Logan County Family and Children First Council, Logan County, Ohio, as of June 30, 2014 and 2013, and the respective changes in cash financial position and the respective budgetary comparison for the General, Help Me Grow – GRF, Help Me Grow – Part C, Drug Free Community, Project Child and Innovation (2014 only) Funds thereof for the years then ended in accordance with the accounting basis described in Note 2.A.

Accounting Basis

We draw attention to Note 2.A of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As described in Note 3 to the financial statements for fiscal year ended June 30, 2013, the Council restated fund balance for the Other Governmental Funds as of July 1, 2012. We did not modify our opinion regarding this matter.

As discussed in Note 11 to the financial statements for fiscal year ended June 30, 2013, the Council adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. We did not modify our opinion regarding this matter.

Other Matters

Supplemental and Other Information

We audited to opine on the Council's financial statements that collectively comprise its basic financial statements.

Management's Discussion & Analysis includes tables of net cash position, change in net cash position, and fund balances for 2014 and tables of net position-cash basis, change in net position-cash basis, and governmental activities in 2013. This information provides additional analysis and is not a required part of the basic financial statements.

These tables are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these tables to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these tables directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables are 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 & Analysis, and we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

April 6, 2015

This page is intentionally left blank.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)**

The management's discussion and analysis of the Logan County Family and Children First Council's (the "Council") financial performance provides an overall review of the Council's financial activities for the year ended June 30, 2014, 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 cash-basis basic financial statements and the notes to the financial statements to enhance their understanding of the Council's financial performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- The total net cash position of the governmental activities increased \$62,825, which represents a 61.3% increase from fiscal year 2013.
- The Council had \$366,216 in cash disbursements related to governmental activities; 82.0% of these cash disbursements were offset by program specific grants or contributions.
- The Council's major funds are the General Fund, the Innovation Fund, Help Me Grow - GRF Fund, Help Me Grow- Part C Fund, Drug Free Community "DFC" Fund, and Project Child Fund.
- The General Fund had cash receipts of \$128,689 in 2014. The cash disbursements of the General Fund totaled \$115,510 in 2014. The General fund had advances in of \$29,162 and advances out of \$8,379. The General Fund's cash balance increased \$33,962 from 2013 to 2014.

Using these Basic Financial Statements (BFS)

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

The Statement of Net Position - 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 cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Council's most significant funds with all other non-major funds presented in total in one column. In the case of the Council, the General Fund, the Innovation Fund, Help Me Grow - GRF Fund, Help Me Grow- Part C Fund, Drug Free Community Fund, and the Project Child Fund are the major governmental funds.

Reporting the Council as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis answer the question, "How did we do financially during 2014?" These statements include *only net position* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

These two statements report the Council's net position and changes in net cash position on a cash basis. This change in net cash position is important because it tells the reader that, for the Council as a whole, the cash basis financial position of the Council has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Council's facility conditions, mandated federal and State programs and other factors.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)
(Continued)**

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 collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received, but not yet paid and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis, the governmental activities includes the Council's programs and services including administration and support services as well as various community and social services.

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis can be found on pages 11-12 of this report.

Reporting the Council's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Council can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The Council has no proprietary or fiduciary funds.

Fund financial reports provide detailed information about the Council's major funds. The Council uses several funds to account for its financial transactions. However, these financial statements focus on the Council's most significant funds. The Council's major governmental funds are the General Fund, the Innovation Fund, Help Me Grow - GRF Fund, Help Me Grow- Part C Fund, Drug Free Community Fund, and the Project Child Fund are the major governmental funds. The analysis of the Council's major governmental funds begins on page 8.

Governmental Funds

The Council's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the Council's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Council programs. Since the Council is reporting on the cash basis of accounting, there are no differences in the net position and fund cash balances or changes in net position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 13-14 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-29 of this report.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)
(Continued)**

Government-Wide Financial Analysis

Recall that the statement of net position - cash basis provides the perspective of the Council as a whole.

The table below provides a summary of the Council's net cash position for 2014 and 2013.

Net Cash Position		
	Governmental Activities 2014	Governmental Activities 2013
Assets:		
Equity in pooled cash and cash equivalents	\$165,312	\$102,487
Total assets	165,312	102,487
Net Position:		
Restricted	129,110	100,247
Unrestricted	36,202	2,240
Total net position	\$165,312	\$102,487

The total net cash position of the Council's governmental activities increased \$62,825 from fiscal year 2013. The balance of government-wide unrestricted net cash position of \$36,202 may be used to meet the Council's ongoing obligations to citizens and creditors.

The table below shows the changes in net cash position for fiscal year 2014 and 2013.

Change in Net Cash Position		
	Governmental Activities 2014	Governmental Activities 2013
Cash Receipts:		
Program cash receipts:		
Operating grants and contributions	\$300,352	\$361,317
Total program cash receipts	300,352	361,317
General cash receipts:		
Grants and Entitlements not Restricted for Specific Programs	128,689	127,454
Total general receipts	128,689	127,454
Total cash receipts	429,041	488,771
Cash Disbursements:		
Personal services	123,931	161,316
Employee retirement and insurance	64,189	74,128
Purchased services	173,708	237,147
Materials and supplies	2,720	4,414
Capital outlay	568	-
Other	1,100	2,038
Total cash disbursements	366,216	479,043
Change in net cash position	62,825	9,728
Net cash position at beginning of year	102,487	92,759
Net cash position at end of year	\$165,312	\$102,487

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)
(Continued)**

Governmental Activities

Governmental cash position increased \$62,825 in 2014 from 2013. Total governmental cash disbursements of \$366,216 were offset by program cash receipts of \$300,352.

The primary sources of cash receipts for governmental activities are derived from operating grants and entitlements. These revenue sources represent 70% of total governmental cash receipts.

The largest cash disbursement of the Council is for purchased services. These cash disbursements totaled \$173,708 or 47.43% of total governmental cash disbursements for fiscal year 2014.

Financial Analysis of the Government's Funds

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

Governmental Funds

The Council's governmental funds are accounted for using the cash basis of accounting.

The Council's governmental funds reported a combined fund cash balance of \$165,312, which is \$62,825 above last year's total of \$102,487. The schedule below indicates the fund cash balance and the total change in fund cash balance as of June 30, 2014 and 2013, for all major and non-major governmental funds.

	<u>Fund Cash Balance June 30, 2014</u>	<u>Fund Cash Balance June 30, 2013</u>	<u>Increase (Decrease)</u>
Major Funds:			
General	\$36,202	\$2,240	\$33,962
Innovation	39,139	8,259	30,880
Help Me Grow - GRF	36,088	46,059	(9,971)
Help Me Grow - Part C		3,938	(3,938)
Drug Free Community			
Project Child	29,204	21,074	8,130
Other Non-major Governmental Funds	24,679	20,917	3,762
Total	<u>\$165,312</u>	<u>\$102,487</u>	<u>\$62,825</u>

General Fund

The General Fund had cash receipts of \$128,689 and advances in of \$29,162 in 2014. The cash disbursements of the General Fund totaled \$115,510 and advances out were \$8,379 in 2014. The General Fund's cash balance increased \$33,962 from 2013 to 2014.

Innovation Fund

The Innovation Fund had cash receipts of \$50,000 in 2014. The cash disbursements of the Innovation Fund totaled \$19,120 in 2014. The Innovation Fund's cash balance increased \$30,880 from 2013 to 2014.

Help Me Grow – GRF Fund

The Help Me Grow - GRF Fund had cash receipts of \$58,931 in 2014. The cash disbursements of the Help Me Grow – GRF Fund totaled \$68,902 in 2014. The Help Me Grow - GRF Fund's cash balance decreased \$9,971 from 2013 to 2014.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)
(Continued)**

Help Me Grow – Part C Fund

The Help Me Grow – Part C Fund had cash receipts of \$36,478 and an advance in of \$8,379 from the General Fund in 2014. The cash disbursements of the Help Me Grow – Part C Fund totaled \$48,795 in 2014. The Help Me Grow – Part C Fund's cash balance decreased \$3,938 from 2013 to 2014.

Drug Free Community (DFC) Fund

The DFC Fund had cash receipts of \$60,424 in 2014. The cash disbursements of the DFC Fund totaled \$31,262 in 2014. The DFC Fund repaid an advance to the general fund of \$29,162. The DFC Fund began and ended the year with a zero cash balance.

Project Child Fund

The Project Child Fund had cash receipts of \$11,439 in 2014. The cash disbursements of the Project Child Fund totaled \$3,309 in 2014. The Project Child Fund's cash balance increased \$8,130 from 2013 to 2014.

Capital Assets and Debt Administration

Capital Assets

The Council does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The Council had \$568 in capital outlay disbursements during fiscal year 2014.

Debt Administration

The Council had no long-term debt obligations outstanding at June 30, 2014 or June 30, 2013.

Current Financial Related Activities

The Council is reviewed by its members and the community to determine how they can realize efficiency and service gap filling. Agencies are challenged to improve the way services are delivered by striving towards a seamless service delivery system. The Council is constantly assessing needs of its members and acting to facilitate the provision of services cost-effectively.

Contacting the Council's Financial Management

This financial report is designed to provide our citizens with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Keith Thomas, Treasurer of the Midwest Regional Educational Service Center, Fiscal Agent for Logan County Family and Children First Council, 121 S. Opera St. Bellefontaine, Ohio 43311.

This page is intentionally left blank.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2014**

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$165,312
Net position:	
Restricted for:	
Youth Led Prevention	6,925
Children's Trust	3,876
Help Me Grow	36,088
Project Child	29,204
Innovation	39,139
Fast	853
United Way	9,143
AMA Grant	3,882
Unrestricted	36,202
Total net position	\$165,312

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Cash</u> <u>Disbursements</u>	<u>Program Revenues</u> <u>Operating Grants</u> <u>and Contributions</u>	<u>Net (Disbursements) Receipts</u> <u>and Changes in Net Position</u> <u>Governmental</u> <u>Activities</u>
Governmental activities:			
Personal services	\$123,931	\$118,358	(\$5,573)
Employees retirement and insurance	64,189	32,077	(32,112)
Purchased services	173,708	145,593	(28,115)
Materials and supplies	2,720	4,132	1,412
Capital outlay	568		(568)
Other	1,100	192	(908)
Totals	<u>\$366,216</u>	<u>\$300,352</u>	<u>(65,864)</u>
 General revenues:			
Grants and entitlements not restricted to specific programs			128,689
Total General Revenues			<u>128,689</u>
 Change in net position			 62,825
 Net position at beginning of year			 <u>102,487</u>
 Net position at end of year			 <u><u>\$165,312</u></u>

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2014**

	<u>General</u>	<u>Innovation</u>	<u>Help Me Grow - GRF</u>	<u>Help Me Grow - Part C</u>	<u>Drug Free Community</u>	<u>Project Child</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:								
Equity in pooled cash and cash equivalents	\$36,202	\$39,139	\$36,088			\$29,204	\$24,679	\$165,312
Total assets	<u>36,202</u>	<u>39,139</u>	<u>36,088</u>			<u>29,204</u>	<u>24,679</u>	<u>165,312</u>
Fund balances:								
Restricted:								
Youth Led Prevention							6,925	6,925
Children's Trust							3,876	3,876
Help Me Grow			36,088					36,088
Project Child						29,204		29,204
Innovation		39,139						39,139
Fast							853	853
United Way							9,143	9,143
AMA Grant							3,882	3,882
Unassigned	36,202							36,202
Total fund balances	<u>\$36,202</u>	<u>\$39,139</u>	<u>\$36,088</u>	<u>\$0</u>	<u>\$0</u>	<u>\$29,204</u>	<u>\$24,679</u>	<u>\$165,312</u>

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	General	Innovation	Help Me Grow - GRF	Help Me Grow - Part C	Drug Free Community	Project Child	Non-major Governmental Funds	Total Governmental Funds
Receipts:								
Intergovernmental	\$128,689	\$50,000	\$58,931	\$36,478	\$60,424	\$11,439	\$83,080	\$429,041
Total receipts	<u>128,689</u>	<u>50,000</u>	<u>58,931</u>	<u>36,478</u>	<u>60,424</u>	<u>11,439</u>	<u>83,080</u>	<u>429,041</u>
Disbursements:								
Personal services	38,644	16,620	22,958	16,696	15,191		13,822	123,931
Employees retirement and insurance	34,953		12,305	2,252	5,842		8,837	64,189
Purchased services	40,046	2,500	33,366	29,813	9,928	3,309	54,746	173,708
Materials and supplies	424		48	34	301		1,913	2,720
Capital outlay	568							568
Other	875		225					1,100
Total disbursements	<u>115,510</u>	<u>19,120</u>	<u>68,902</u>	<u>48,795</u>	<u>31,262</u>	<u>3,309</u>	<u>79,318</u>	<u>366,216</u>
Excess of receipts over (under) disbursements	<u>13,179</u>	<u>30,880</u>	<u>(9,971)</u>	<u>(12,317)</u>	<u>29,162</u>	<u>8,130</u>	<u>3,762</u>	<u>62,825</u>
Other financing sources (uses):								
Advances in	29,162			8,379				37,541
Advances (out)	(8,379)				(29,162)			(37,541)
Total other financing sources (uses)	<u>20,783</u>			<u>8,379</u>	<u>(29,162)</u>			
Net change in fund balances	33,962	30,880	(9,971)	(3,938)		8,130	3,762	62,825
Fund balances at beginning of year	2,240	8,259	46,059	3,938		21,074	20,917	102,487
Fund balances at end of year	<u>\$36,202</u>	<u>\$39,139</u>	<u>\$36,088</u>	<u>\$0</u>	<u>\$0</u>	<u>\$29,204</u>	<u>\$24,679</u>	<u>\$165,312</u>

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental	\$131,353	\$128,690	\$128,689	(\$1)
Total receipts	<u>131,353</u>	<u>128,690</u>	<u>128,689</u>	<u>(1)</u>
Disbursements:				
Personal services	39,032	39,032	38,643	389
Employees retirement and insurance	26,813	36,502	35,994	508
Purchased services	38,128	42,993	40,646	2,347
Materials and supplies	500	500	424	76
Capital outlay		1,000	568	432
Other	2,500	2,500	875	1,625
Total disbursements	<u>106,973</u>	<u>122,527</u>	<u>117,150</u>	<u>5,377</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,380</u>	<u>6,163</u>	<u>11,539</u>	<u>5,376</u>
Other financing sources (uses):				
Refund of prior year's expenditures		600	600	
Transfers in		37,157	37,157	
Transfers (out)		(37,157)	(37,157)	
Advances in			29,162	29,162
Advances (out)			(8,379)	(8,379)
Total other financing sources (uses)		<u>600</u>	<u>21,383</u>	<u>20,783</u>
Net change in fund balance	24,380	6,763	32,922	26,159
Fund balance (deficit) at beginning of year	(2,823)	(2,823)	(2,823)	
Prior year encumbrances appropriated	5,063	5,063	5,063	
Fund balance (deficit) at end of year	<u>\$26,620</u>	<u>\$9,003</u>	<u>\$35,162</u>	<u>\$26,159</u>

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INNOVATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$80,000	\$50,000	\$50,000	
Total receipts	<u>80,000</u>	<u>50,000</u>	<u>50,000</u>	
Disbursements:				
Personal services	16,700	16,700	16,620	\$80
Purchased services	63,300	63,300	2,500	60,800
Total disbursements	<u>80,000</u>	<u>80,000</u>	<u>19,120</u>	<u>60,880</u>
Net change in fund balance		(30,000)	30,880	60,880
Fund balance at beginning of year	4,459	4,459	4,459	
Prior year encumbrances appropriated	3,800	3,800	3,800	
Fund balance (deficit) at end of year	<u>\$8,259</u>	<u>(\$21,741)</u>	<u>\$39,139</u>	<u>\$60,880</u>

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HELP ME GROW - GRF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$52,505	\$76,008	\$58,931	(\$17,077)
Total receipts	<u>52,505</u>	<u>76,008</u>	<u>58,931</u>	<u>(17,077)</u>
Disbursements:				
Personal services	24,089	23,709	22,958	751
Employees retirement and insurance	15,067	15,261	13,505	1,756
Purchased services	2,680	33,366	33,366	
Materials and supplies	300	300	48	252
Other	778	778	225	553
Total disbursements	<u>42,914</u>	<u>73,414</u>	<u>70,102</u>	<u>3,312</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,591</u>	<u>2,594</u>	<u>(11,171)</u>	<u>(13,765)</u>
Other financing sources (uses):				
Transfers in		40,886	40,886	
Transfers (out)		(40,886)	(40,886)	
Total other financing sources (uses)				
Net change in fund balance	9,591	2,594	(11,171)	(13,765)
Fund balance at beginning of year	26,650	26,650	26,650	
Prior year encumbrances appropriated	19,409	19,409	19,409	
Fund balance at end of year	<u>\$55,650</u>	<u>\$48,653</u>	<u>\$34,888</u>	<u>(\$13,765)</u>

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HELP ME GROW - PART C FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Receipts:				
Intergovernmental	\$81,811	\$108,471	\$36,478	(\$71,993)
Total receipts	<u>81,811</u>	<u>108,471</u>	<u>36,478</u>	<u>(71,993)</u>
Disbursements:				
Personal services	16,776	16,776	16,696	80
Employees retirement and insurance	1,490	2,733	2,733	
Purchased services	63,091	63,426	29,813	33,613
Materials and supplies	375	525	34	491
Total disbursements	<u>81,732</u>	<u>83,460</u>	<u>49,276</u>	<u>34,184</u>
Excess (deficiency) of revenues over (under) expenditures	<u>79</u>	<u>25,011</u>	<u>(12,798)</u>	<u>(37,809)</u>
Other financing sources (uses):				
Advances in			8,379	8,379
Total other financing sources (uses)			<u>8,379</u>	<u>8,379</u>
Net change in fund balance	79	25,011	(4,419)	(29,430)
Fund balance at beginning of year	2,211	2,211	2,211	
Prior year encumbrances appropriated	1,727	1,727	1,727	
Fund balance (deficit) at end of year	<u>\$4,017</u>	<u>\$28,949</u>	<u>(\$481)</u>	<u>(\$29,430)</u>

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG FREE COMMUNITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$31,250	\$60,424	\$60,424	
Total receipts	<u>31,250</u>	<u>60,424</u>	<u>60,424</u>	
Disbursements:				
Personal services	15,139	15,191	15,191	
Employees retirement and insurance	5,807	5,842	5,842	
Purchased services	9,929	9,929	9,928	\$1
Materials and supplies	375	375	301	74
Total disbursements	<u>31,250</u>	<u>31,337</u>	<u>31,262</u>	<u>75</u>
Excess (deficiency) of revenues over (under) expenditures		<u>29,087</u>	<u>29,162</u>	<u>75</u>
Other financing (uses):				
Advances (out)			(29,162)	(29,162)
Total other financing (uses)			<u>(29,162)</u>	<u>(29,162)</u>
Net change in fund balance		29,087		(29,087)
Fund balance at beginning of year				
Fund balance (deficit) at end of year	<u>\$0</u>	<u>\$29,087</u>	<u>\$0</u>	<u>(\$29,087)</u>

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PROJECT CHILD FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental	\$3,500	\$11,439	\$11,439	
Total receipts	<u>3,500</u>	<u>11,439</u>	<u>11,439</u>	
Disbursements:				
Purchased services	3,500	3,309	3,309	
Total disbursements	<u>3,500</u>	<u>3,309</u>	<u>3,309</u>	
Net change in fund balance		8,130	8,130	
Fund balance at beginning of year	21,074	21,074	21,074	
Fund balance at end of year	<u>\$21,074</u>	<u>\$29,204</u>	<u>\$29,204</u>	<u>\$0</u>

See accompanying notes to the basic financial statements.

**LOGAN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)**

1. DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY

A. Description of the Entity

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

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

**LOGAN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)**

1. DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY (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 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, 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; and,
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

The Logan County Family and Children First Council's (the "Council") management believes these financial statements present all activities for which the Council is financially accountable.

1. Council Membership

The County's Council membership included Children's Services, Board of Alcohol Drug Addiction and Mental Health Services; Board of Mental Retardation and Developmental Disabilities, and the Juvenile Court. The purpose of the Family and Children First Council is to identify ways in which the Child Serving System can provide services to the community in the most efficient and effective manner. A Council Director has been hired to administer all of the Council's Programs. Because these programs affect all of the agencies within the Council membership, the salary of this employee is paid from the State administrative grant received by the Council and pooled funding derived from each of the Council agencies in the County. Grant Administration Appropriations are utilized toward the Council Director's salary.

2. Executive Finance Committee

The Executive Finance Committee is a governing and policy making body. The Council is responsible for determining the need for staff positions pursuant to established goals, objectives, and policy statements. The committee is responsible for the creation of all standing committees and task groups of the Council.

**LOGAN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)**

1. DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY (Continued)

B. Reporting Entity

A reporting entity is comprised of the primary government and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Council consists of all fund, departments, and activities that are not legally separate from the Council. They comprise the Council's legal entity, which provides various services including human, social, health and educational services to families and children. The Council, the Executive Finance Committee, and the Director have direct responsibility for these activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

These financial statements are presented on a 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.

The Council's Basic Financial Statements consist of government-wide statements, including a Statement of Net Position – Cash Basis and a Statement of Activities – Cash Basis, and fund financial statements, which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis display information about the Council as a whole. These statements include the financial activities of the primary government.

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

2. 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. Non-major funds are aggregated and presented in a single column.

**LOGAN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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. The Council utilizes the governmental category of funds.

4. Governmental Funds

Governmental funds are those through which most governmental functions of the Council typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. The following are the Council's major governmental funds:

General Fund - The General 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 and the by-laws of the Council.

Innovation Fund - This fund is used to account for the State innovation grant monies.

Help Me Grow (GRF) Fund - This fund is used to account for State Help Me Grow grant monies.

Help Me Grow Part C Fund - This fund is used to account for federal Help Me Grow Part C grant monies.

Project Child Fund - This fund accounts for money received for early childhood initiatives including additional funding to support Help Me Grow, Toasty Tots Program, and other collaborative efforts for the birth to age 6 populations.

Drug Free Community Fund - This fund offers a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources.

The other governmental funds of the Council account for grants and other resources whose use is restricted for a particular purpose.

5. Measurement Focus

The Council has elected to present its financial statements on a cash basis of accounting. The basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Council's cash basis of accounting, receipts are recognized when received in cash, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

**LOGAN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Basis of Accounting

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.

B. Cash

As required by Ohio Revised Code, the Logan County Educational Service Center (the "ESC") is custodian for the Council's cash. The Council's assets are held in the ESC's cash and investment pool, and are valued at the ESC Treasurer's reported carrying amount. Logan County is the custodian of the cash held in the Children's Trust Fund. At June 30, 2014, the amount held by Logan County was \$3,876.

C. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. Acquisitions of property are not reflected as an asset under the basis of accounting the Council uses.

D. Long-term Debt Obligations

The Council did not have any bonds or other long-term debt obligations.

E. Net Position

These statements report restricted net position when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use. The Council first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

F. Budgetary Process

Ohio Revised Code Section 121.37(5)(A) requires the Council to file an annual budget with its administrative agent which is the Logan County Educational Service Center. The budget can be amended throughout the year by the Council. The legal level of budgetary control has been established by Council at the fund, function level. The amounts reported as the original budgeted amounts on the budgetary statements reflect the estimated receipts and disbursements when the original budget was adopted by the Council. The amounts reported as the final budgeted amounts on the budgetary statements reflect the final estimated receipts and disbursements adopted by Council.

G. Accumulated Leave

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

**LOGAN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Interfund Receivables/Payables

The Council reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

I. 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 disbursements to the funds that initially paid for them are not presented in the financial statements.

J. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Council must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Non-spendable – The non-spendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – Fund balance is 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 or enabling legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by Council for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the Council, which includes giving the administrative/fiscal agent the authority to constrain monies for intended purposes.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from the overspending for specific purposes for which amounts had been restricted, committed, or assigned.

**LOGAN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)**

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.

3. CASH AND CASH EQUIVALENTS

The Council's cash pool is maintained by the Logan County Educational Service Center and Logan County. The Ohio Revised Code prescribes allowable deposits and investments, and the ESC and Logan County are responsible for meeting compliance. The Council's carrying amount of cash on deposit at June 30, 2013 was \$165,312.

4. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis of as provided by law is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statements of Receipts, Disbursements, and Changes in Fund Balance - Budget and Actual – (Non-GAAP Budgetary Basis) presented for 2014 are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and cash basis is the outstanding year-end encumbrances are treated as disbursements (budgetary basis) rather than as assigned or restricted fund balance (cash basis).

5. INTERFUND BALANCES

During fiscal year 2014, the Drug Free Community Fund repaid the outstanding advance, in the amount of \$29,162, to the General Fund. The General Fund advanced \$8,379 to the Help Me Grow – Part C Fund until grant revenues were available.

Unpaid interfund cash advances at June 30, 2014 were as follows:

	Interfund Receivable	Interfund Payable
General	\$8,379	
Help Me Grow Part C		\$8,379
Total	\$8,379	\$8,379

6. PENSION PLANS

School Employees Retirement System

Plan Description - The Council contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Council Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

**LOGAN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)**

6. PENSION PLANS (Continued)

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the Council is required to contribute at an actuarially determined rate. The current Council rate is 14 percent of annual covered payroll. A portion of the Council's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2014, 13.05 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 14 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The Council's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2014, 2013 and 2012 were \$16,235, \$21,132 and \$33,198, respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012.

7. POST-EMPLOYMENT BENEFITS

School Employees Retirement System

Plan Description - The Council participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2014 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2014, 0.14 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the actuarially determined amount was \$20,250.

**LOGAN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)**

7. POST-EMPLOYMENT BENEFITS (Continued)

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The Council's contributions for health care (including surcharge) for the fiscal years ended June 30, 2014, 2013 and 2012 were \$174, \$258 and \$4,020, respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2014, this actuarially required allocation was 0.76 percent of covered payroll. The Council's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012 were \$942, \$1,194 and \$2,136, respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012.

8. RISK MANAGEMENT

A. Property and Liability

The Council is covered under the Logan County Educational Service Center's (the "ESC") insurance policy. Coverage is provided under this policy included general liability, employee liability, and employers' liability. There has been no significant change in coverage from last year. Settled claims have not exceeded this commercial coverage in any of the past three years.

B. Health Insurance

The Council's employees are covered under the ESC's health insurance plan. The Council pays monthly premiums to the ESC for employee medical benefits.

9. CONTINGENCIES

A. Grants

The Council received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Council at June 30, 2014.

B. Litigation

There are currently no matters in litigation with the Council as defendant.

This page is intentionally left blank.

**FAMILY & CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

The discussion and analysis of the Logan County Family and Children First Council's financial performance provides an overall review of the Council's financial activities for the year ended June 30, 2013, within the limits of the Council's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Council's financial performance.

Highlights

Key Highlights for 2013 are as follows:

- Total net position increased \$9,728, or 10.5%, during 2013. The funds most affected by the increase in cash and cash equivalents were the Help Me Grow Funds as a result of a combination of increased revenues and decreased expenditures during the fiscal year.
- The Council's receipts are primarily from intergovernmental funding. These receipts represent 100% of the total cash received for governmental activities during the fiscal year.

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.

Report Components

The statement of net position – cash basis and the statement of activities – cash basis provide information about the Council's cash position and the changes in cash position at the entity wide level.

The statement of assets and fund balances – cash basis and the statement of cash receipts, disbursements and changes in cash basis fund balances report the Council's cash position and the changes in cash position by fund.

The notes to the financial statements are an integral part of the 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 are recognized when received in cash, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

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.

**FAMILY & CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)
(Continued)**

Reporting the Government as a Whole

The statement of net position – cash basis and the statement of activities – cash basis reflect how the Council did financially during 2013, within the limits of cash basis accounting. The statement of net position – cash basis presents the cash balances of the Council at year-end. The statement of activities – cash basis compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and 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 cash 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 extent of any debt obligations and the reliance on non-local financial resources for operations.

In the statement of net position – cash basis and the statement of activities – cash basis, the Council presents one type of activity:

Governmental activities - All of the Council's basic services are reported here. Intergovernmental revenue finances these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Government's Most Significant Funds

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 Council's funds are considered governmental. The Council's governmental fund financial statements provide a detailed view of the Council's governmental operations and the basic 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 programs. The Council's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The major funds of the Council for 2013 include the General, Project Child, Help Me Grow - GRF, Help Me Grow – Part C, and Drug Free Community.

Table 1 provides a summary of the Council's net position for fiscal year 2013 compared to fiscal year 2012.

**FAMILY & CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)
(Continued)**

**Table 1
Net Position – Cash Basis
Governmental Activities**

	2013	2012 - Restated
Assets:		
Current and Other Assets	\$102,487	\$92,759
Total Assets	<u>102,487</u>	<u>92,759</u>
Net Position:		
Restricted	\$100,247	\$91,472
Unrestricted	2,240	1,287
Total	<u>\$102,487</u>	<u>\$92,759</u>

As mentioned previously, net position increased \$9,728, or 10.5%, during 2013. The increase was primarily associated with a decrease in expenditures with established programs.

Table 2 reflects the changes in net fund balances during 2013, compared to 2012.

**Table 2
Change in Net Position – Cash basis
Governmental Activities**

	2013	2012
Revenues:		
Program Revenues:		
Operating Grants, Contributions and Interest	\$361,317	\$428,325
Total Program Revenues	<u>361,317</u>	<u>428,325</u>
General Revenues:		
Unrestricted Grants	127,454	124,302
Total General Revenues	<u>127,454</u>	<u>124,302</u>
Total Revenues	<u>488,771</u>	<u>552,627</u>
Expenses:		
Personal Services	161,316	176,275
Employers' Retirement and Insurance	74,128	74,708
Purchased Services	237,147	284,556
Supplies and Materials	4,414	1,498
Other	2,038	
Total Expenses	<u>479,043</u>	<u>537,037</u>
Increase/(Decrease) in Net Position	<u>\$9,728</u>	<u>\$15,590</u>

Program receipts represent 74% of total receipts for 2013 and are comprised of receipts that are restricted for specific programs. The largest category of disbursements was purchased services and this includes payment to residential providers for youth in out-of-home placements and for grant related services provided by public and not-for-profit organizations. Personal services (wages) were the second largest.

**FAMILY & CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)
(Continued)**

Governmental Activities

If you look at the Statement of Activities – Cash Basis on page 36, 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 personal services and purchased services, which account for approximately 34 percent, and 50 percent, in 2013, of all governmental disbursements, respectively. Employees' retirement and insurance also represents a significant cost, about 15 percent in 2013. The next column of the Statement entitled Program Receipts identify grants received by the Council that must be used to provide a specific service. The net Receipt (Disbursement) 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 unrestricted money. 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 is presented in Table 3.

**Table 3
Governmental Activities**

	<u>Total Cost of Services</u> <u>2013</u>	<u>Net Cost of Services</u> <u>2013</u>	<u>Total Cost of Services</u> <u>2012</u>	<u>Net Cost of Services</u> <u>2012</u>
Personal Services	\$161,316	\$43,553	\$176,275	\$51,719
Employers' Retirement and Insurance	74,128	32,183	74,708	23,898
Purchased Services	237,147	39,772	284,556	32,963
Supplies and Materials	4,414	180	1,498	132
Other	2,038	2,038		
Total Expenses	<u>\$479,043</u>	<u>\$117,726</u>	<u>\$537,037</u>	<u>\$108,712</u>

The Government's Funds

Total governmental funds had receipts of \$488,771 and disbursements of \$479,043 in 2013. The fund balance of the Help Me Grow GRF Fund increased \$29,537 as a result of decreased expenses. The fund balance of the Help Me Grow – Part C Fund decreased \$31,074 as a result of decreased revenue and increased expenses.

General Fund Budgeting Highlights

The Council's primary operating fund is the General Fund. Budgeted receipts and other financing sources were increased by \$29,133 and budgeted disbursements and other financing uses were increased by \$22,109 between the original and final budget. Final disbursements in 2013 were budgeted at \$204,222, while actual disbursements were \$162,283.

Capital Assets and Debt Administration

The Council has no capital assets and no debt.

Contacting the Council's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Council's finances and to reflect the Council's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Keith Thomas, Treasurer, Midwest Regional Educational Service Center, 121 South Opera Street, Bellefontaine, Ohio 43311.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2013**

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$102,487
Total Assets	102,487
 Net Position:	
Restricted for:	
Youth Led Prevention	2,750
Children's Trust	8,206
Help Me Grow- GRF	46,059
Help Me Grow-Part C	3,938
Project Child	21,074
Innovation Grant	8,259
Fast Grant	125
United Way Grant	9,836
Unrestricted	2,240
Total Net Position	\$102,487

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Cash</u>	<u>Program Cash Receipts</u>	<u>Net(Disbursements)</u>
	<u>Disbursements</u>	<u>Operating Grants and</u>	<u>Receipts and Changes</u>
		<u>Contributions</u>	<u>in Fund Balances</u>
			<u>Governmental</u>
			<u>Activities</u>
Governmental Activities:			
Personal Services	\$161,316	\$117,763	(\$43,553)
Employees' Retirement and Insurance	74,128	41,945	(32,183)
Purchased Services	237,147	197,375	(39,772)
Supplies and Materials	4,414	4,234	(180)
Other	2,038		(2,038)
Total Governmental Activities	<u>\$479,043</u>	<u>\$361,317</u>	<u>(117,726)</u>
		General Receipts:	
		Grants and Entitlements not Restricted to Specific Programs	127,454
		Total General Revenues	<u>127,454</u>
		Change in Net Position	9,728
		Net Position Beginning of Year (Restated)	92,759
		Net Position End of Year	<u>\$102,487</u>

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	<u>General Fund</u>	<u>Project Child</u>	<u>Help Me Grow - GRF</u>	<u>Help Me Grow - Part C</u>	<u>Drug Free Community</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:							
Equity in Pooled Cash and Cash Equivalents	\$2,240	\$21,074	\$46,059	\$3,938		\$29,176	\$102,487
Total Assets	<u>2,240</u>	<u>21,074</u>	<u>46,059</u>	<u>3,938</u>		<u>29,176</u>	<u>102,487</u>
Fund Balances:							
Restricted:							
Youth Led Prevention						2,750	2,750
Children's Trust						8,206	8,206
Help Me Grow-GRF			46,059				46,059
Help Me Grow-Part C				3,938			3,938
Project Child		21,074					21,074
Innovation Grant						8,259	8,259
Fast Grant						125	125
United Way Grant						9,836	9,836
Assigned	2,240						2,240
Total Fund Balances	<u>\$2,240</u>	<u>\$21,074</u>	<u>\$46,059</u>	<u>\$3,938</u>	<u>\$0</u>	<u>\$29,176</u>	<u>\$102,487</u>

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>General Fund</u>	<u>Project Child</u>	<u>Help Me Grow - GRF</u>	<u>Help Me Grow - Part C</u>	<u>Drug Free Community</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts:							
Intergovernmental	\$131,666	\$2,882	\$97,908	\$48,374	\$116,012	\$91,929	\$488,771
Total Receipts	<u>131,666</u>	<u>2,882</u>	<u>97,908</u>	<u>48,374</u>	<u>116,012</u>	<u>91,929</u>	<u>488,771</u>
Disbursements:							
Personal Services	43,553		20,747	14,970	58,861	23,185	161,316
Employees' Retirement and Insurance	32,183		10,352	4,056	19,874	7,663	74,128
Purchased Services	42,330	1,261	37,037	57,336	39,090	60,093	237,147
Supplies and Materials	180		235	3,086	844	69	4,414
Other	2,038						2,038
Total Expenditures	<u>120,284</u>	<u>1,261</u>	<u>68,371</u>	<u>79,448</u>	<u>118,669</u>	<u>91,010</u>	<u>479,043</u>
Receipts Over (Under) Disbursements	<u>11,382</u>	<u>1,621</u>	<u>29,537</u>	<u>(31,074)</u>	<u>(2,657)</u>	<u>919</u>	<u>9,728</u>
Other Financing Sources and Uses:							
Transfers In						7,772	7,772
Advances In	26,505				29,162		55,667
Transfers Out	(7,772)						(7,772)
Advances Out	(29,162)				(26,505)		(55,667)
Total Other Financing Sources and Uses	<u>(10,429)</u>				<u>2,657</u>	<u>7,772</u>	
Net Change in Fund Balances	953	1,621	29,537	(31,074)		8,691	9,728
Fund Balance (Deficit) at Beginning of Year (Restated)	<u>1,287</u>	<u>19,453</u>	<u>16,522</u>	<u>35,012</u>		<u>20,485</u>	<u>92,759</u>
Fund Balance (Deficit) at End of Year	<u>\$2,240</u>	<u>\$21,074</u>	<u>\$46,059</u>	<u>\$3,938</u>	<u>\$0</u>	<u>\$29,176</u>	<u>\$102,487</u>

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts:				
Intergovernmental	\$147,321	\$149,949	\$131,666	(\$18,283)
Total Receipts	<u>147,321</u>	<u>149,949</u>	<u>131,666</u>	<u>(18,283)</u>
Disbursements:				
Personal Services	56,845	49,370	43,553	5,817
Employees' Retirement and Insurance	33,238	38,278	32,183	6,095
Purchased Services	59,524	47,134	47,130	4
Supplies and Materials	345	345	345	
Other	32,161	32,161	2,138	30,023
Total Expenditures	<u>182,113</u>	<u>167,288</u>	<u>125,349</u>	<u>41,939</u>
Receipts Over (Under) Disbursements	<u>(34,792)</u>	<u>(17,339)</u>	<u>6,317</u>	<u>23,656</u>
Other Financing Sources and Uses:				
Advance In		26,505	26,505	
Transfer Out		(7,772)	(7,772)	
Advances Out		(29,162)	(29,162)	
Total Other Financing Sources and Uses		<u>(10,429)</u>	<u>(10,429)</u>	
Net Change in Fund Balances	(34,792)	(27,768)	(4,112)	23,656
Fund Balance (Deficit) at Beginning of Year	(4,534)	(4,534)	(4,534)	
Prior Year Encumbrances Appropriated	5,823	5,823	5,823	
Fund Balance (Deficit) at End of Year	<u>(\$33,503)</u>	<u>(\$26,479)</u>	<u>(\$2,823)</u>	<u>\$23,656</u>

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PROJECT CHILD FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts:				
Intergovernmental	\$4,000	\$4,000	\$2,882	(\$1,118)
Total Receipts	<u>4,000</u>	<u>4,000</u>	<u>2,882</u>	<u>(1,118)</u>
Disbursements:				
Personal Services	4,000	4,000	1,261	2,739
Other	19,453	19,453		19,453
Total Expenditures	<u>23,453</u>	<u>23,453</u>	<u>1,261</u>	<u>22,192</u>
Receipts Over (Under) Disbursements	<u>(19,453)</u>	<u>(19,453)</u>	<u>1,621</u>	<u>21,074</u>
Net Change in Fund Balances	(19,453)	(19,453)	1,621	21,074
Fund Balance (Deficit) at Beginning of Year	19,453	19,453	19,453	
Prior Year Encumbrances Appropriated				
Fund Balance (Deficit) at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$21,074</u>	<u>\$21,074</u>

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HELP ME GROW - GRF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts:				
Intergovernmental	\$63,532	\$105,790	\$97,908	(\$7,882)
Total Receipts	<u>63,532</u>	<u>105,790</u>	<u>97,908</u>	<u>(7,882)</u>
Disbursements:				
Personal Services	20,840	20,840	20,747	93
Employees' Retirement and Insurance	16,563	16,063	13,352	2,711
Purchased Services	41,133	50,820	50,790	30
Supplies and Materials	391	391	391	
Other	34,197	34,197	2,500	31,697
Total Expenditures	<u>113,124</u>	<u>122,311</u>	<u>87,780</u>	<u>34,531</u>
Receipts Over (Under) Disbursements	<u>(49,592)</u>	<u>(16,521)</u>	<u>10,128</u>	<u>26,649</u>
Net Change in Fund Balances	(49,592)	(16,521)	10,128	26,649
Fund Balance (Deficit) at Beginning of Year	(16,441)	(16,441)	(16,441)	
Prior Year Encumbrances Appropriated	32,963	32,963	32,963	
Fund Balance (Deficit) at End of Year	<u>(\$33,070)</u>	<u>\$1</u>	<u>\$26,650</u>	<u>\$26,649</u>

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HELP ME GROW - PART C FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts				
Intergovernmental	\$82,641	\$101,377	\$48,374	(\$53,003)
Total Receipts	<u>82,641</u>	<u>101,377</u>	<u>48,374</u>	<u>(53,003)</u>
Disbursements				
Personal Services	15,988	15,988	14,970	1,018
Employees' Retirement and Insurance	6,094	6,623	4,056	2,567
Purchased Services	58,433	58,913	58,913	
Supplies and Materials	4,066	3,598	3,236	362
Total Expenditures	<u>84,581</u>	<u>85,122</u>	<u>81,175</u>	<u>3,947</u>
Receipts Over (Under) Disbursements	<u>(1,940)</u>	<u>16,255</u>	<u>(32,801)</u>	<u>(49,056)</u>
Net Change in Fund Balances	(1,940)	16,255	(32,801)	(49,056)
Fund Balance (Deficit) at Beginning of Year	34,977	34,977	34,977	
Prior Year Encumbrances Appropriated	35	35	35	
Fund Balance (Deficit) at End of Year	<u>\$33,072</u>	<u>\$51,267</u>	<u>\$2,211</u>	<u>(\$49,056)</u>

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG FREE COMMUNITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts				
Intergovernmental	\$158,043	\$160,993	\$116,012	(\$44,981)
Total Receipts	<u>158,043</u>	<u>160,993</u>	<u>116,012</u>	<u>(44,981)</u>
Disbursements:				
Personal Services	59,719	59,719	58,861	858
Employees' Retirement and Insurance	22,917	27,823	19,874	7,949
Purchased Services	48,002	60,245	39,090	21,155
Supplies and Materials	900	1,596	844	752
Total Expenditures	<u>131,538</u>	<u>149,383</u>	<u>118,669</u>	<u>30,714</u>
Receipts Over (Under) Disbursements	<u>26,505</u>	<u>11,610</u>	<u>(2,657)</u>	<u>(14,267)</u>
Other Financing Sources and Uses:				
Advances In		29,162	29,162	
Advances Out			(26,505)	(26,505)
Total Other Financing Sources and Uses		<u>29,162</u>	<u>2,657</u>	<u>(26,505)</u>
Net Change in Fund Balances	26,505	40,772		(40,772)
Fund Balance (Deficit) at Beginning of Year	(16,678)	(16,678)	(16,678)	
Prior Year Encumbrances Appropriated	16,678	16,678	16,678	
Fund Balance (Deficit) at End of Year	<u>\$26,505</u>	<u>\$40,772</u>	<u>\$0</u>	<u>(\$40,772)</u>

See accompanying notes to the basic financial statements.

This page is intentionally left blank.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

1. DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY

A. Description of the Entity

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

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

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

1. DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY (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 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, 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; and
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

The Logan County Family and Children First Council's (the Council) management believes these financial statements present all activities for which the Council is financially accountable.

1. Council Membership

The County's Council membership included Children's Services, Board of Alcohol Drug Addiction and Mental Health Services; Board of Mental Retardation and Developmental Disabilities, and the Juvenile Court. The purpose of the Family and Children First Council is to identify ways in which the Child Serving System can provide services to the community in the most efficient and effective manner. A Council Director has been hired to administer all of the Council's Programs. Because these programs affect all of the agencies within the Council membership, the salary of this employee is paid from the State administrative grant received by the Council and pooled funding derived from each of the Council agencies in the County. Grant Administration Appropriations are utilized toward the Council Director's salary.

2. Executive Finance Committee

The Executive Finance Committee is a governing and policy making body. The Council is responsible for determining the need for staff positions pursuant to established goals, objectives, and policy statements. The committee is responsible for the creation of all standing committees and task groups of the Council.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

1. DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY (continued)

B. Reporting Entity

A reporting entity is comprised of the primary government and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Council consists of all funds, departments, and activities that are not legally separate from the Council. They comprise the Council's legal entity, which provides various services including human, social, health and educational services to families and children. The Council, the Executive Finance Committee, and the Director have direct responsibility for these activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

These financial statements are presented on a 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.

The Council's Basic Financial Statements consist of government-wide statements, including a Statement of Net Position – Cash Basis and a Statement of Activities – Cash Basis, and fund financial statements, which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis display information about the Council as a whole. These statements include the financial activities of the primary government.

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

2. 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. Non-major funds are aggregated and presented in a single column.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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. The Council utilizes the governmental category of funds.

4. Governmental Funds

Governmental funds are those through which most governmental functions of the Council typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. The following are the Council's major governmental funds:

General Fund - The General 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 and the by-laws of the Council.

Help Me Grow (GRF) Fund – This fund is used to account for State Help Me Grow grant monies.

Help Me Grow Part C Fund - This fund is used to account for federal Help Me Grow Part C grant monies.

Project Child Fund – This fund accounts for money received for early childhood initiatives including additional funding to support Help Me Grow, Toasty Tots Program, and other collaborative efforts for the birth to age 6 populations.

Drug Free Community Fund – This fund offers a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources.

The other governmental funds of the Council account for grants and other resources whose use is restricted for a particular purpose.

5. Measurement Focus

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 are recognized when received in cash, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

6. Basis of Accounting

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.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Cash

As required by Ohio Revised Code, the Logan County Educational Service Center (ESC) is custodian for the Council's cash. The Council's assets are held in the ESC's cash and investment pool, and are valued at the ESC Treasurer's reported carrying amount. Logan County is the custodian of the cash held in the Children's Trust Fund. At June 30, 2013, the amount held at Logan County was \$8,206.

C. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. Acquisitions of property are not reflected as an asset under the basis of accounting the Council uses.

D. Long-term Debt Obligations

The Council did not have any bonds or other long-term debt obligations.

E. Net Position

These statements report restricted net position when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use.

The Council first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

F. Budgetary Process

Ohio Revised Code Section 121.37(5) (A) requires the Council to file an annual budget with its administrative agent which is the Logan County Educational Service Center. The budget can be amended throughout the year by the Council. The legal level of budgetary control has been established by Council at the fund, function level.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the estimated receipts and disbursements when the original budget was adopted by the Council. The amounts reported as the final budgeted amounts on the budgetary statements reflect the final estimated receipts and disbursements adopted by Council.

G. Accumulated Leave

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

H. Interfund Receivables/Payables

The Council reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. 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 disbursements to the funds that initially paid for them are not presented in the financial statements.

J. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Council must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Non-spendable – The non-spendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – Fund balance is 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 or enabling legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by Council for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the Council, which includes giving the administrative/fiscal agent the authority to constrain monies for intended purposes.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from the overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

3. FUND BALANCE RESTATEMENT

The Council restated fund balances at July 1, 2012, for the Other Governmental Funds. The Children's Trust Fund was previously overstated by \$1,300. The following table shows the change in fund balances.

	Other Governmental Funds
June 30, 2012 Fund Balance	\$21,785
Prior Period Adjustment	(1,300)
Restated July 1, 2012 Fund Balance	\$20,485

4. CASH AND CASH EQUIVALENTS

The Council's cash pool is maintained by the Logan County Educational Service Center and Logan County. The Ohio Revised Code prescribes allowable deposits and investments, and the ESC and Logan County are responsible for meeting compliance. The Council's carrying amount of cash on deposit at June 30, 2013, was \$102,487.

5. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statements of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – (Non-GAAP Budgetary Basis) presented for 2013 are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and cash basis is the outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as assigned or restricted fund balance (cash basis).

6. INTERFUND BALANCES

During fiscal year 2013, the Drug Free Community Fund repaid the outstanding advance, in the amount of \$26,505, to the General Fund. The General Fund advanced \$29,162 to the Drug Free Community Fund until grant revenues were available. The General Fund also transferred \$7,772 to the Youth Led Prevention Fund to cover expenses.

Unpaid interfund cash advances at June 30, 2013 were as follows:

	Interfund Receivable	Interfund Payable
General	\$29,162	
Drug Free Community		\$29,162
Totals	\$29,162	\$29,162

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

7. RETIREMENT SYSTEM

School Employees Retirement System

Plan Description - The Council contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to School Employees Retirement System, 300 East Broad Street, Columbus, Ohio 43215-3746 or by call (800) 878-5853. It is also posted on the SERS' website at www.ohsers.org, under Forms and Publications.

Plan members are required to contribute 10 percent of their annual covered salary and the Council is required to contribute at an actuarially determined rate. The current Council rate is 14 percent of annual covered payroll. A portion of the Council's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for the fiscal year ended 2013, 13.10 percent was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, by the SERS Retirement Board up to statutory maximum amount of 10 percent for plan members and 14 percent for employers.

Chapter 3309 of the Ohio Revised Code provides statutory authority for members and employer contributions. The Council's required contribution for pension obligations for the fiscal years ending June 30, 2013, 2012, and 2011 were \$21,132, \$33,198, and \$40,524, respectively; 100 percent has been contributed for each fiscal year.

8. POST-EMPLOYMENT BENEFITS

Plan Description – The Council participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting School Employees Retirement System, 300 East Broad Street, Columbus, Ohio 43215-3746 or by call (800) 878-5853. It is also posted on the SERS' website at www.ohsers.org, under Forms and Publications.

Funding Policy – State statute permits SERS to fund health care benefits through employer contributions. Each year, after allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent to covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2013, 0.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2013, this amount was \$20,525.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

8. POST-EMPLOYMENT BENEFITS (Continued)

The Council's contributions for health care for the fiscal years ending June 30, 2013, 2012, and 2011 were \$258, \$4,020, and \$1,459, respectively; 100 percent has been contributed for fiscal.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2013, the actuarially required allocation was 0.74 percent of covered payroll. The Council's contributions for Medicare Part B for fiscal years ended June 30, 2013, 2012, and 2011, were \$1,194, \$2,136, and \$2,410, respectively; 100 percent has been contributed for each fiscal year.

9. RISK MANAGEMENT

A. Property and Liability

The Council is covered under the Logan County Educational Service Center's (the ESC) insurance policy. Coverage provided under this policy included general liability, employee liability, and employers' liability. There has been no significant change in coverage from last year. Settled claims have not exceeded this commercial coverage in any of the past three years.

B. Health Insurance

The Council's employees are covered under the ESC's health insurance plan. The Council pays monthly premiums to the ESC for employee medical benefits.

10. CONTINGENCIES

A. Grants

The Council received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Council at June 30, 2013.

B. Litigation

There are currently no matters in litigation with the Council as defendant.

11. CHANGE IN ACCOUNTING PRINCIPLE

For 2013, the Council implemented Governmental Accounting Standard Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the Council's financial statements; however, there was no effect on beginning net position/fund balance.

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Family and Children First Council
Logan County
1973 SR 47 West
P.O. Box 710
Bellefontaine, Ohio 43311

To the Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Logan County Family and Children First Council, Logan County, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated April 6, 2015, wherein we noted the Council uses a special purpose framework other than generally accepted accounting principles. We also noted the Council restated July 1, 2012 fund balances for Other Governmental Funds and adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows and Resources, and Net Position*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Council's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. 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 internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Council's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2014-001 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, opining 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*.

Entity's Response to Finding

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.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

April 6, 2015

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2014 AND 2013**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2014-001

Material Weakness – Accuracy of Financial Statement Reporting

Sound financial reporting is the responsibility of the Council, Director, and Fiscal Agents and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following audit adjustments and reclassifications were made to the June 30, 2013, financial statements and accounting records:

Government Wide and Fund Financial Statements:

- Children’s Trust Fund (Other Governmental Funds)
 - Decrease of \$1,300 in beginning fund balance to account for prior year restatement
 - Increase of \$15,503 in Intergovernmental Receipts to account for 2013 actual revenues
 - Increase of \$12,944 in Purchased Services Disbursements to account for 2013 expenditures
- Help Me Grow – GRF Fund
 - Increase of \$19,931 (26%) in Intergovernmental Receipts to correct a posting error
 - Reclassification of \$46,059 from Restricted for Other Purposes to Restricted for Help Me Grow – GRF (Fund Balance and Net Position)
- Help Me Grow – Part C Fund
 - Decrease of \$53,003 (52%) in Intergovernmental Receipts and decrease of \$33,072 (29%) in Other Disbursements to correct a posting error
 - Reclassification of \$3,938 from Restricted for Other Purposes to Restricted for Help Me Grow – Part C (Fund Balance and Net Position)
- General Fund
 - Decrease of \$21,565 to Transfers In and Transfer Out to remove intrafund transfer
 - Reclassification of \$2,240 from Restricted to Assigned Fund Balance to account for outstanding purchase orders
- Project Child Fund
 - Reclassification of \$21,074 from Restricted for Other Purposes to Restricted for Project Child (Fund Balance and Net Position)
- Other Governmental Funds
 - Reclassification of Fund Balance and Net Position Restricted for Other Purposes:
 - Restricted for Youth Led Prevention (\$2,750)
 - Restricted for Children’s Trust (\$8,206)
 - Restricted for Innovation Grant (\$8,259)
 - Restricted for Fast Grant (\$125)
 - Restricted for United Way Grant (\$9,836)
 - Unrestricted Net Position (\$2,240)

FINDING NUMBER 2014-001
(Continued)

Budget Vs. Actual Statements:

- General fund
 - Decrease of \$16,280 (138%) to beginning fund balance to allow for proper reconciliation
- Help Me Grow – GRF Fund
 - Increase of \$1,527 (10%) to beginning fund balance deficit to allow for proper reconciliation
 - Increase of \$19,931 (26%) to actual Intergovernmental Receipts to correct a posting error
- Help Me Grow – Part C Fund
 - Decrease of \$53,003 (52%) in Intergovernmental Receipts to correct posting error
- Drug Free Community Fund
 - Decrease of \$42,971 (23%) in final budget expenditures to match budget
 - Decrease of \$12,685 (8%) in final budgeted revenues to match budget
 - Decrease of \$20,056 in beginning fund balance to allow for proper reconciliation
- All Budget Vs. Actual Statements
 - Original budget column amounts were adjusted to reflect total budget as they had only presented prior year encumbrances

The 2013 adjustments resulted in ending fund balance/net position changes, which also affected the 2014 statements. The following audit adjustments and reclassifications were made to the June 30, 2014, financial statements and accounting records:

Government Wide and Fund Financial Statements:

- Government Wide
 - Reclassification of \$128,689 in general revenues from program revenues
- Help Me Grow – GRF Fund
 - Increase of \$9,583 (19%) to Intergovernmental receipts to correct posting error
 - Increase of \$29,514 (75%) to Purchased Services disbursements to correct posting error
- Help Me Grow – Part C Fund
 - Decrease of \$8,865 (17%) to Intergovernmental receipts to correct posting error
 - Decrease of \$28,796 (37%) to Purchased Services disbursements to correct posting error
- Innovation Fund
 - Reclassification of \$39,139 from Restricted for Other Purposes to Restricted for Innovation Grant Fund Balance and Net Position
- Other Governmental Funds
 - Reclassification of Fund Balance and Net Position Restricted for Other Purposes:
 - Restricted for Fast Grant (\$853)
 - Restricted for United Way Grant (\$9,143)
 - Restricted for AMA Grant (\$3,882)

FINDING NUMBER 2014-001
(Continued)

Budget Vs. Actual Statements:

- Help Me Grow – GRF Fund
 - Increase of \$17,077 (15%) in actual Intergovernmental Revenue to agree to revenue
 - Increase of \$29,514 (35%) in budgeted Purchased Services disbursements to agree to budget
 - Increase of \$2,854 in total actual disbursements to agree to actual expenditures and encumbrances
- Help Me Grow – Part C Fund
 - Decrease of \$51,986 in actual Intergovernmental receipts to agree to revenue received
 - Decrease of \$71,917 in actual disbursements to agree to actual expenditures and encumbrances
- All Budget Vs. Actual Statements
 - Original budget column amounts were adjusted to reflect total budget as they had only presented prior year encumbrances

The following audit reclassification was inconsequential to the overall financial statements of the Council and was not posted to the June 30, 2014, financial statements:

- Reclassification of \$1,640 from Unassigned to Assigned Fund Balance for the General fund to account for outstanding purchase orders.

The audit adjustments and reclassifications taken to the financial statements above resulted in multiple changes being made to the Management's Discussion and Analysis and financial statement notes.

The annual financial report should be completed accurately to ensure the Council's financial activity is properly reported. The failure to correctly classify financial activity in the accounting records and financial statements may impact the user's understanding of financial operations, the Council's ability to make sound financial decisions, and/or result in materially misstated reports.

Management should perform a detailed review of its draft financial statements to help provide for the accuracy and reliability in the financial reporting process. Such review should include procedures that all sources of revenue and expenditures are properly identified and classified on the financial statements. Finally, the Director and Fiscal Agent should review the reclassifications and adjustments made to ensure similar errors are not recorded in the accounting records and reported on the financial statements in subsequent years.

Officials' Response:

Audit Years Included: State Fiscal Year 2013 & State Fiscal Year 2014

- Issues with the annual compiler Sammy Stamm & Company, LLC in SFY13 was found to be done insufficiently
- As a result, action was taken by the Logan County Family & Children First Council to no longer use Sammy Stamm as the annual compiler;
- Julian & Grube, Inc. was then contracted as the compiler for SFY14; and
- Due to insufficiencies prepared by Sammy Stamm SFY13, this also caused issues with compilation for Julian & Grube for SFY14, and, as an end result making it necessary for the State Auditor's office to make several adjustments for both years audited.

FINDING NUMBER 2014-001
(Continued)

- During this SFY13 & SFY14 period there were also several administrative changes at both the Logan County Family & Children First Council (FCFC), as well as the Logan County (aka: Midwest Regional) ESC; the FCFC Administrative Agents' offices
- The current Logan County FCFC Director Stacey Logwood, Administrative Coordinator Sue Stanford, and Midwest Regional ESC Treasurer Keith Thomas did not get hired and/or begin their key personnel roles until after the beginning of SFY15.
- The Logan County Family & Children First Council in cooperation with the Midwest Regional Educational Services Center has taken the proper action needed to rectify the issues mentioned in the SFY 13/14 audit report.



Dave Yost • Auditor of State

LOGAN COUNTY FAMILY AND CHILDREN FIRST

LOGAN 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
MAY 19, 2015**