



Dave Yost • Auditor of State



**FAMILY AND CHILDREN FIRST COUNCIL  
WOOD COUNTY**

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# Dave Yost • Auditor of State

Family and Children First Council  
Wood County  
1928 East Gypsy Lane, P.O. Box 679  
Bowling Green, Ohio 43402-0679

To Members of the Council:

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

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

**Dave Yost**  
Auditor of State

June 28, 2012

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council  
Wood County  
1928 East Gypsy Lane, P.O. Box 679  
Bowling Green, Ohio 43402-0679

To Members of the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Wood County, Ohio (the Council), as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, the Council has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material. In addition, during 2011, the Council failed to adopt the provisions of Governmental Accounting Standards Board Statement No.54 *Fund Balance Reporting and Governmental Fund Type* as mandated by Auditor of State Bulletin 2011-004 for regulatory basis financial statements.

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, except for any adjustments that may have been required had the Council adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for 2011, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances as of December 31, 2011 and 2010 of the Family and Children First Council, Wood County, Ohio, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2012, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

**Dave Yost**  
Auditor of State

June 28, 2012



**FAMILY AND CHILDREN FIRST COUNCIL  
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>All Governmental Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	
<b>Cash Receipts:</b>			
Intergovernmental	\$15,750	\$339,320	\$355,070
<b>Cash Disbursements:</b>			
Current:			
Contract Services	21,805	339,715	361,520
Travel/Training	550		550
Advertising/Copies	470		470
Consumer Stipends	200		200
Total Cash Disbursements	23,025	339,715	362,740
Total Cash Disbursements Over Cash Receipts	(7,275)	(395)	(7,670)
Fund Cash Balances, January 1	86,315	81,870	168,185
<b>Fund Cash Balances, December 31</b>	<b>\$79,040</b>	<b>\$81,475</b>	<b>\$160,515</b>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
WOOD COUNTY**

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

	<b>All Governmental Fund Types</b>		
	<b>General</b>	<b>Special Revenue</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Intergovernmental	\$17,069	\$405,850	\$422,919
<b>Cash Disbursements:</b>			
Current Disbursements:			
Contract Services	14,751	407,625	422,376
Accounting and Auditing Services	2,338		2,338
Travel/Training	250		250
Advertising/Copies	10,376		10,376
Consumer Stipends	100		100
Total Cash Disbursements	27,815	407,625	435,440
Total Cash Disbursements Over Cash Receipts	(10,746)	(1,775)	(12,521)
Fund Cash Balances, January 1	97,061	83,645	180,706
<b>Fund Cash Balances, December 31</b>	<b>\$86,315</b>	<b>\$81,870</b>	<b>\$168,185</b>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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

- a. 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 council or another county's council. Where possible, the number of members representing families shall be equal to twenty per cent of the council's remaining membership.
- b. The director of the board of alcohol, drug addiction, and mental health services that serves the county, or, in the case of a county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards;
- c. The health commissioner of the board of health of each city or general health district in the county, or their designees;
- d. The director of the county department of jobs and family services;
- e. The executive director of the public children services agency;
- f. The superintendent of the county board of mental retardation and developmental disabilities;
- g. The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each county of its determination at least biennially;
- h. A school superintendent representing all other school districts with territory in the county, as designated at a biennial meeting of the superintendents of those districts;
- i. A representative of the municipal corporation with the largest population in the county;
- j. The president of the board of county commissioners, or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county's head start agencies, as defined in section 3301.31 of the Revised Code;
- m. A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "Education of the Handicapped Act Amendments of 1986";
- n. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

**FAMILY AND CHILDREN FIRST COUNCIL  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

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

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

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. Make periodic reports to the cabinet council regarding the number of children referred to the county council and the programs made in meeting the needs of each child;
- c. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invents new approaches to achieve better results for families and children;
- d. Participate in the development of a county wide, comprehensive, coordinated, multidisciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the department of health for early intervention services under the "Education of the Handicapped Act Amendments of 1986";
- e. Maintain an accountability system to monitor the council's progress in achieving its purposes;
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services with the county system.

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

**2. ACCOUNTING BASIS**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Council recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**A. Fund Accounting**

The Council maintains its accounting records in accordance with the principles of fund accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions are reflected in a self-balancing group of accounts.

**FAMILY AND CHILDREN FIRST COUNCIL  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**2. ACCOUNTING BASIS (Continued)**

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

The Council had the following source of funding:

Intergovernmental Receipts - Funds received from the Administration Grants.

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

Ohio Children's Trust Fund – This fund receives a state grant to be used for programs aimed at reducing Child Abuse and Neglect.

Help Me Grow Fund -This fund receives federal and state grants to be used for programs aimed at ensuring the well being of children from birth to three years of age as well as prenatal clients.

**B. Administrative Agent/Fiscal Agent**

The Wood County Department of Job and Family Services served as administrative agent for the Council. The Council funds are maintained in a separate agency fund by the Wood County Auditor acting as designated fiscal agent for the Council.

**C. Budgetary Process**

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

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

**D. Property, Plant and Equipment**

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

**E. Accumulated Leave**

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

**FAMILY AND CHILDREN FIRST COUNCIL  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

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

The Wood County Treasurer maintains a cash pool used by all of the County's funds, including those of the Family and Children First Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the County at December 31, 2011, was \$160,515 and at December 31, 2010, was \$168,185. The Wood County Treasurer, as custodian for the Council, is responsible for maintaining adequate depository collateral for all funds in the Wood County's pooled and deposit accounts.

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$47,000	\$15,750	(\$31,250)
Special Revenue	336,185	339,320	3,135
Total	<u>\$383,185</u>	<u>\$355,070</u>	<u>(\$28,115)</u>

2011 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$49,841	\$23,025	\$26,816
Special Revenue	361,185	339,715	21,470
Total	<u>\$411,026</u>	<u>\$362,740</u>	<u>\$48,286</u>

2010 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$52,000	\$17,069	(\$34,931)
Special Revenue	336,185	405,850	69,665
Total	<u>\$388,185</u>	<u>\$422,919</u>	<u>\$34,734</u>

2010 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$103,734	\$27,815	\$75,919
Special Revenue	376,185	407,625	(31,440)
Total	<u>\$479,919</u>	<u>\$435,440</u>	<u>\$44,479</u>

**FAMILY AND CHILDREN FIRST COUNCIL  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**5. CONTINGENT LIABILITIES**

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

**6. RISK MANAGEMENT**

The Council is insured through the Wood County Department of Job and Family Services.

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# Dave Yost • Auditor of State

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

Family and Children First Council  
Wood County  
1928 East Gypsy Lane, P.O. Box 679  
Bowling Green, Ohio 43402-0679

To Members of the Council:

We have audited the financial statements of the Family and Children First Council, Wood County, Ohio (the Council), as of and for the years ended December 31, 2011 and 2010 and have issued our report thereon dated June 28, 2012, wherein we noted the Council followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. For the period ending December 31, 2011. We also noted the Council did not adopt the provision of Government Accounting Standards Board Statement 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*". We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

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

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

### Compliance and Other Matters

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

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



**Dave Yost**  
Auditor of State

June 28, 2012



# Dave Yost • Auditor of State

**FAMILY AND CHILDREN FIRST COUNCIL**

**WOOD 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  
JULY 17, 2012**