



Dave Yost • Auditor of State



**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Family and Children First Council  
Preble County  
1500 Park Avenue  
Eaton, OH 45320

To the Executive Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of the Family and Children First Council, Preble County, (the Council) as of and for the years ended June 30, 2014 and 2013.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements 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 opinion.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1C of the financial statements, the Council prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

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The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Council as of June 30, 2014 and 2013, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Family and Children First Council, Preble County as of June 30, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1C.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2014 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.



**Dave Yost**  
Auditor of State

Columbus, Ohio

October 2, 2014

**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

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

	<b>General</b>	<b>Special Revenue</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Intergovernmental	\$45,198	\$164,843	\$210,041
Charges for Services	1,419		1,419
Miscellaneous		255	255
Total Cash Receipts	<u>46,617</u>	<u>165,098</u>	<u>211,715</u>
<b>Cash Disbursements:</b>			
Purchased Services/Other Agencies	35,498	114,121	149,619
Purchased Services/Administrative		2,876	2,876
Salaries		26,393	26,393
Fringe Benefits		9,074	9,074
General Operating Expenses		526	526
Miscellaneous		52,165	52,165
Total Cash Disbursements	<u>35,498</u>	<u>205,155</u>	<u>240,653</u>
Excess of Receipts Over (Under) Disbursements	<u>11,119</u>	<u>(40,057)</u>	<u>(28,938)</u>
Fund Cash Balances, July 1	<u>(7,543)</u>	<u>53,292</u>	<u>45,749</u>
<b>Fund Cash Balances, June 30:</b>			
Non-spendable			
Restricted		13,235	13,235
Committed			
Assigned	4,465		4,465
Unassigned (Deficit)	(889)		(889)
Fund Cash Balances, June 30	<u>\$3,576</u>	<u>\$13,235</u>	<u>\$16,811</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

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

	<b>General</b>	<b>Special Revenue</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Intergovernmental	\$43,826	\$171,257	\$215,083
Charges for Services	1,258		1,258
Total Cash Receipts	<u>45,084</u>	<u>171,257</u>	<u>216,341</u>
<b>Cash Disbursements:</b>			
Purchased Services/Other Agencies	40,967	110,314	151,281
Purchased Services/Administrative		3,640	3,640
Salaries		33,454	33,454
Fringe Benefits		11,037	11,037
General Operating Expenses		1,039	1,039
Miscellaneous	5,221	12,569	17,790
Total Cash Disbursements	<u>46,188</u>	<u>172,053</u>	<u>218,241</u>
Excess of Receipts Over (Under) Disbursements	<u>(1,104)</u>	<u>(796)</u>	<u>(1,900)</u>
Fund Cash Balances, July 1	<u>(6,439)</u>	<u>54,088</u>	<u>47,649</u>
<b>Fund Cash Balances, June 30:</b>			
Non-spendable			
Restricted		53,292	53,292
Committed			
Assigned	1,560		1,560
Unassigned (Deficit)	(9,103)		(9,103)
Fund Cash Balances, June 30	<u>(\$7,543)</u>	<u>\$53,292</u>	<u>\$45,749</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

**1. REPORTING ENTITY/SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Ohio Revised Code Section 121.37 created the Ohio Family and Children First Cabinet Council and required each Board of County Commissioners to establish a County Family and Children First Council. For the years ended June 30, 2014 and 2013, the Preble County Family and Children First Council, Preble County, Ohio (the Council), was an agency fund of Preble County, Ohio. Statutory membership of County Council consists of the following individuals:

- a. The Director of the Board of Alcohol, Drug Addiction, and Mental Health Services that serves the County, or, in the case of a County that has a Board of Alcohol and Drug Addiction Services and a Community Mental Health Board, the Directors of both Boards.
- b. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each City or General Health District in the County.
- c. The Director of the County Department of Job and Family Services;
- d. The Executive Director of the County agency responsible for the administration of children services pursuant to the Ohio Revised Code Section 5153.15;
- e. The Superintendent of the County Board of Developmental Disabilities;
- f. The County's Juvenile Court judge senior in service;
- g. The Superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the County, as determined by the Ohio 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 Ohio Department of Youth Services;
- l. A representative of the County's Head Start agencies, as defined in Ohio Revised Code Section 3301.32;
- 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. At least three individuals representing the interests of families in the County. Where possible, the number of members representing families shall be equal to twenty per cent of the council's remaining membership.

A County Family and Children First Council may invite any other local public or private agency or group that funds, advocates, or provides services to children to have a representative become a permanent or temporary member of the Council.

**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013  
(Continued)**

**1. REPORTING ENTITY/SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The purpose of the County Council is to streamline and coordinate existing government services for families seeking services for their children. In seeking to fulfill its purpose, a County Council shall provide for the following:

- a. Referrals to the Cabinet Council of those children for whom the County 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. Development and implementation of a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;
- d. Participation in the development of a countywide, comprehensive, coordinated, multi-disciplinary interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the Department of Health for early intervention services under the "Individuals with Disabilities Education Act of 2004";
- e. Maintenance of an accountability system to monitor the County Council's progress in achieving results for families and children; and
- f. Establishment of a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the County system.

**1. Council Membership**

The County's Council membership included Children's Services, Board of Alcohol & Drug Addiction Services, Board of Mental Health, Board of Developmental Disabilities, Board of County Commissioners, Juvenile Court, Department of Job & Family Services, General Health District, the City of Eaton, family representatives, and the educational community. The purpose of the Family and Children First Council is to identify ways in which the child serving systems can provide services to the community in the most efficient and effective manner.

**2. Executive Council**

The Executive Council 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. This committee is responsible for the creation of all standing committees and task groups of the Council.

**B. Reporting Entity**

A reporting entity is comprised of the primary government, component units, 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 services including human, social, health and education to families and children.

**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013  
(Continued)**

**1. REPORTING ENTITY/SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Component units are legally separate organizations for which the Council is financially accountable. The Council is financially accountable for an organization if the Council appoints a voting majority of the organization's governing board and (1) the Council is able to significantly influence the programs or services performed or provided by the organization; or (2) the Council is legally entitled to or can otherwise access the organization's resources; the Council is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Council is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Council in that the Council approves the budget, the issuance of debt, or the levying of taxes. The Council has no component units.

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

**C. Basis of Accounting**

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

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

**D. Fund Accounting**

The Council uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Council classifies its funds into the following types:

**General Fund** – The General Fund is the operating fund of the Council. It is used to account for and report all financial resources not accounted for and reported in another fund. All expenditures are made in accordance with an annual budget approved by the administrative body of the Council.

**Special Revenue Funds** – These funds are used to account for and report specific sources (other than from trusts or for capital projects) that are restricted or committed to expenditure for specified purposes. During the period ending June 30, 2014 and 2013, the following programs were awarded to the Council: Help Me Grow, Strength-Based Alternatives in the Family Environment (SAFE), and Ohio Children's Trust Fund. Effective April 1, 2014, the SAFE program was transferred to the Juvenile Court.

**E. Administrative/Fiscal Agent**

Ohio Revised Code Section 121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. Preble County Job and Family Services became the Council's administrative agent on July 1, 2006. The Preble County Auditor, Job and Family Services' fiscal agent, maintains Council's funds in a separate agency fund. The Ohio Children's Trust Fund is maintained in a separate special revenue fund.

**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013  
(Continued)**

**1. REPORTING ENTITY/SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Budgetary Process**

A Family and Children First Council established under Ohio Revised Code Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. The Council filed an estimate of financial resources and an appropriation measure with the Preble County Job and Family Services, the Council's fiscal agent, as required by Ohio law.

A summary of 2014 and 2013 budgetary activity appears in Note 2.

**G. Property, Plant and Equipment**

The Council records cash disbursements for acquisitions of property, plant and equipment when paid. These items are not reflected as assets in the accompanying financial statements.

**H. Accumulated Leave**

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

**I. 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. The Council did not have any non-spendable fund balances.

**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. The Council did not have any committed fund balances.

**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013  
(Continued)**

**1. REPORTING ENTITY/SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**2. BUDGETARY ACTIVITY**

Budgetary activity for the fiscal years ending June 30, 2014 and June 30, 2013 follows:

**2014 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$41,392	\$46,617	\$5,225
Special Revenue	198,512	165,098	(33,414)
Total	<u>\$239,904</u>	<u>\$211,715</u>	<u>(\$28,819)</u>

**2014 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$38,518	\$35,498	\$3,020
Special Revenue	185,193	205,155	(19,962)
Total	<u>\$223,711</u>	<u>\$240,653</u>	<u>(\$16,942)</u>

**2013 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$42,138	\$45,084	\$2,946
Special Revenue	206,902	171,257	(35,645)
Total	<u>\$249,040</u>	<u>\$216,341</u>	<u>(\$32,699)</u>

**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013  
(Continued)**

**2. BUDGETARY ACTIVITY (Continued)**

<b>2013 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$33,704	\$46,188	(\$12,484)
Special Revenue	\$184,159	172,053	12,106
Total	\$217,863	\$218,241	(\$378)

**3. EQUITY IN POOLED CASH**

The Council's cash pool is maintained by the Preble County Treasurer, Job and Family Service's fiscal agent. The Ohio Revised Code prescribes allowable deposits and investments, and the Preble County Treasurer is responsible for meeting compliance. The Council's carrying amounts of cash on deposit with the Preble County Treasurer at June 30, 2014 and 2013 was:

	<b>2014</b>	<b>2013</b>
Cash on Deposit with Preble County Treasurer	\$16,811	\$45,749

The Preble County Treasurer, as the fiscal agent for Job and Family Services who is the fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in the Council's pooled cash and depository accounts. All risks associated with the above deposits are the responsibility of the fiscal agent.

**4. RETIREMENT SYSTEM**

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

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. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the OPERS Retirement Board. The Council has paid all contributions required through June 30, 2014.

**5. RISK MANAGEMENT**

The Council is covered under the Preble County Auditor's insurance policy.



# 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  
Preble County  
1500 Park Avenue  
Eaton, OH 45320

To the Executive 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 Family and Children First Council, Preble County, (the Council) as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, and have issued our report thereon dated October 2, 2014 wherein we noted the Council followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit.

### ***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*.

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***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.

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

Columbus, Ohio

October 2, 2014

**PREBLE COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

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

**FINDING NUMBER 2014-001**

**Material Weakness**

The Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, introduces five fund balance classifications and clarifies the existing governmental fund type definitions. The fund balance classifications relate to constraints placed upon the use of resources reported in governmental funds. The five classifications are non-spendable, restricted, committed, assigned and unassigned.

The Council did not have any fund balance classifications when the financial statements were prepared.

- In 2013, the Council should have presented \$1,560 as assigned and (\$9,103) as unassigned in the General Fund and \$53,292 as Restricted in the Special Revenue Funds.
- In 2014, the Council should have presented \$4,465 as assigned and (\$889) as unassigned in the General Fund and \$13,235 as Restricted in the Special Revenue Funds.

Adjustments were made to the accompanying financial statements.

Failure to meet the requirements of GASB Statement No. 54 could result in misleading financial statements. We recommend that the Council follow the accounting treatment as prescribed in GASB Statement No. 54 and Auditor of State Bulletin 2011-004.

**Official's Response:**

We did not receive a response from Council officials to this finding.

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# Dave Yost • Auditor of State

**PREBLE COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**PREBLE 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  
NOVEMBER 06, 2014**