



Dave Yost • Auditor of State



**FAMILY AND CHILDREN FIRST COUNCIL  
HURON COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Family and Children First Council  
Huron County  
185 Shady Lane Drive  
Norwalk, Ohio 44857-2397

To the Members of Council:

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

We have audited the accompanying financial statements and related notes of Family and Children First Council, Huron County, Ohio (the Council) as of and for the years ended June 30, 2013 and 2012.

### ***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 1 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.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 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, 2013 and 2012, 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 Family and Children First Council, Huron County, Ohio as of June 30, 2013 and 2012, 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 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 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

February 4, 2014

**FAMILY AND CHILDREN FIRST COUNCIL  
HURON COUNTY**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Intergovernmental	\$15,750	\$278,437	\$294,187
Local Contributions	19,440	10,000	29,440
Miscellaneous	1,409		1,409
Total Cash Receipts	<u>36,599</u>	<u>288,437</u>	<u>325,036</u>
<b>Cash Disbursements:</b>			
Personal Services	33,026		33,026
Contractual Services	16,632	360,287	376,919
Advertising and Printing	18		18
Travel Reimbursements	2,284		2,284
Supplies and Materials	293		293
Other	363		363
Total Cash Disbursements	<u>52,616</u>	<u>360,287</u>	<u>412,903</u>
Net Change in Fund Cash Balances	(16,017)	(71,850)	(87,867)
Fund Cash Balances, July 1	<u>68,707</u>	<u>305,090</u>	<u>373,797</u>
<b>Fund Cash Balances, June 30:</b>			
Restricted		233,240	233,240
Unassigned	<u>52,690</u>		<u>52,690</u>
<i>Fund Cash Balances, June 30</i>	<u><u>\$52,690</u></u>	<u><u>\$233,240</u></u>	<u><u>\$285,930</u></u>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
HURON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Intergovernmental	\$15,750	\$447,126	\$462,876
Local Contributions	8,000	10,000	18,000
Earnings on Investments	1,292		1,292
Miscellaneous	6,120		6,120
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	31,162	457,126	488,288
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Personal Services	26,301		26,301
Contractual Services		375,298	375,298
Advertising and Printing	442		442
Travel Reimbursements	342		342
Supplies and Materials	194		194
Services and Charges	180		180
Other	200	52	252
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	27,659	375,350	403,009
	<hr/>	<hr/>	<hr/>
Excess of Receipts Over Disbursements	3,503	81,776	85,279
	<hr/>	<hr/>	<hr/>
<b>Other Financing Receipts (Disbursements):</b>			
Transfers In		23,707	23,707
Transfers Out		(23,707)	(23,707)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts (Disbursements)			
	<hr/>	<hr/>	<hr/>
Net Change in Fund Cash Balances	3,503	81,776	85,279
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, July 1	65,204	223,314	288,518
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, June 30:</b>			
Restricted		318,120	318,120
Unassigned (Deficit)	68,707	(13,030)	55,677
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, June 30</i>	<u>\$68,707</u>	<u>\$305,090</u>	<u>\$373,797</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
HURON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

**1. 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. Statutory membership of County Council consists of the following individuals:

- a. At least three individuals representing the interest of families in the County. Where possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership;
- 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 Addition, 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 or the County agency responsible for the administration of children services pursuant to the Ohio Revised Code Section 5153.15;
- f. The Superintendent of the County Board of 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 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;

**FAMILY AND CHILDREN FIRST COUNCIL  
HURON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012  
(Continued)**

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

**A. Description of the Entity (Continued)**

- 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.

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.

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. 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;
- c. 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";
- d. Maintenance of an accountability system to monitor the County Council's progress in achieving results for families and children; and
- e. Establishment of a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the County system.

**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.

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

**FAMILY AND CHILDREN FIRST COUNCIL  
HURON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012  
(Continued)**

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

**B. Reporting Entity (Continued)**

(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:

**1. 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.

**2. Special Revenue Funds**

These funds are used to account for and report specific sources that are restricted to expenditure for specified purposes. The Council had the following significant Special Revenue Funds:

Help Me Grow Grant Fund – This fund receives state and federal grant monies restricted for the purpose of the grant provisions.

Special Education Grant – Infants and Families (HMG-Part C) – This fund receives federal grant monies restricted for expectant parents; newborns and their families; and infants and toddlers at risk for or with developmental delays and disabilities and their families.

**FAMILY AND CHILDREN FIRST COUNCIL  
HURON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012  
(Continued)**

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

**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. The Council has selected North Point Educational Service Center for the year ending June 30, 2013 and South Central Local School District for the year ending June 30, 2012. The Council authorizes North Point Educational Service Center and South Central Local School District as fiscal agent and administrative agent, to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in the agreement. North Point Educational Service Center and South Central Local School District agree to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement.

**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 for the year ending June 30, 2012 with South Central Local School District as required by Ohio law. The Council filed an estimate of financial resources and an appropriation measure for the year ending June 30, 2013 with North Point Educational Service Center as required by Ohio law.

A summary of 2013 and 2012 budgetary activity appears in Note 2.

**G. Cash and Investments**

The Council's fiscal agent is the custodian for the Council's cash and investments. The fiscal agent maintains a cash and investment pool used for all of the fiscal agent's funds, including those of the Council. Deposits and investments are made in accordance with the Ohio Revised Code and are valued at the fiscal agent's carrying amount.

**H. 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.

**I. 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.

**J. Long-Term Debt Obligations**

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

**FAMILY AND CHILDREN FIRST COUNCIL  
HURON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012  
(Continued)**

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

**K. 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:

**Nonspendable** – The nonspendable 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  
HURON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012  
(Continued)**

**2. BUDGETARY ACTIVITY**

Budgetary activity for the fiscal years ending June 30, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$28,533	\$36,599	\$8,066
Special Revenue	307,980	288,437	(19,543)
Total	\$336,513	\$325,036	(\$11,477)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$42,480	\$52,616	(\$10,136)
Special Revenue	467,719	360,287	107,432
Total	\$510,199	\$412,903	\$97,296

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$17,010	\$31,162	\$14,152
Special Revenue	481,511	480,833	(678)
Total	\$498,521	\$511,995	\$13,474

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$29,750	\$27,659	\$2,091
Special Revenue	695,362	399,057	296,305
Total	\$725,112	\$426,716	\$298,396

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

North Point Educational Service Center and South Central Local School District, as fiscal agent for the Council, maintain a cash and investments pool used by all of North Point Educational Service Center's and South Central Local School District's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and North Point Educational Service Center and South Central Local School District are responsible for compliance. The carrying amount of deposits and investments at June 30, 2013 and 2012 was \$285,930 and \$373,797, respectively.

The fiscal agent is responsible for maintaining adequate depository collateral for all funds in the fiscal agent's pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the fiscal agent.

**FAMILY AND CHILDREN FIRST COUNCIL  
HURON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012  
(Continued)**

**4. RETIREMENT SYSTEM**

The Council's employee belongs 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.

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, OPERS members contributed 10% of their gross salaries and the Council contributed an amount equaling 14% of participant' gross salaries. The Council has paid all contributions required through June 30, 2013.

**5. CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor. 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. MISCELLANEOUS RECEIPTS**

In 2012, General Fund Miscellaneous Receipts consist of administrative oversight funds (\$2,120) and family first assessment funds (\$4,000).

**7. SUBSEQUENT EVENTS**

Effective July 1, 2013, the Council designated Huron County Job and Family Services as the administrative and fiscal agent for all Council Funds.

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# 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  
Huron County  
185 Shady Lane Drive  
Norwalk, Ohio 44857-2397

To the Members of 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 Family and Children First Council, Huron County, Ohio (the Council) as of and for the years ended June 30, 2013 and 2012 and the related notes to the financial statements and have issued our report thereon dated February 4, 2014, wherein we noted the Council followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permits.

### ***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 2013-001 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 Findings***

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

February 4, 2014

**FAMILY AND CHILDREN FIRST COUNCIL  
HURON COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2013 AND 2012**

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

**FINDING NUMBER 2013-001**

**Material Weakness – Financial Reporting**

The results of our procedures identified an incorrect classification of a transfer (which was incorrectly recorded as an Intergovernmental receipt) from the Help Me Grow Grant Fund to the Special Education Grant – Infants and Families (HMG-Part C) Fund during the year ending June 30, 2012 in the amount of \$23,707.

The accompanying financial statements have been adjusted to reflect these changes.

Sound financial reporting is the responsibility of the fiscal agent and the Council Members and is essential to ensure the information provided to the readers of the financial statements and accompanying notes is complete and accurate.

To ensure the Council's financial statements and notes to the statements are complete and accurate, the Council should adopt policies and procedures, including a final review of the statements and notes by the fiscal agent, to identify and correct errors and omissions.

**Officials' Response:**

The Huron County Family and Children First Council (HCFCFC) recognizes that sound financial reporting is essential. As of July 1, 2013, the HCFCFC Coordinator is housed in the same building with the Council Administrative Agent. It is anticipated that this arrangement will greatly facilitate the management of the Council's fiscal activities. The Coordinator meets frequently with the Administrative Agent's Fiscal Officer to ensure that transactions are classified properly and any necessary notes or corrections are identified and timely applied. Council members review financial reports as part of the regular monthly meeting, and the Coordinator meets with the Fiscal/Audit/Contract Committee at a minimum quarterly, to review fiscal operations.

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# Dave Yost • Auditor of State

## FAMILY AND CHILDREN FIRST COUNCIL

### HURON 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  
FEBRUARY 25, 2014