



Mary Taylor, CPA  
Auditor of State



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

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2008.....	3
Basic Financial Statements:	
Government-Wide Financial Statements	
Statement of Net Assets – Cash Basis– June 30, 2008 .....	7
Statement of Activities – Cash Basis– For the Fiscal Year Ended June 30, 2008 .....	8
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds– June 30, 2008.....	9
Statement of Cash Receipts, Disbursements, and Changes In Cash Basis Fund Balances - Governmental Funds – For the Fiscal Year Ended June 30, 2008 .....	10
Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual - Budget Basis– General Fund – For the Fiscal Year Ended June 30, 2008 .....	11
Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual - Budget Basis - Help Me Grow TANF Fund – For the Fiscal Year Ended June 30, 2008 .....	12
Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual – Budget Basis - Help Me Grow GRF Fund – For the Fiscal Year Ended June 30, 2008 .....	13
Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual –Budget Basis – Children's Trust Fund – For the Fiscal Year Ended June 30, 2008 .....	14
Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual –Budget Basis – Project Child Fund – For the Fiscal Year Ended June 30, 2008 .....	15
Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2008 .....	17
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2007.....	25
Government-Wide Financial Statements	
Statement of Net Assets – Cash Basis – June 30, 2007 .....	29
Statement of Activities – Cash Basis – For the Fiscal Year Ended June 30, 2007 .....	30
Fund Financial Statements	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds – June 30, 2007.....	31

**FAMILY AND CHILDREN FIRST COUNCIL  
LOGAN COUNTY**

**TABLE OF CONTENTS  
(Continued)**

<b>TITLE</b>	<b>PAGE</b>
Statement of Cash Receipts, Disbursements, and Changes In Cash Basis Fund Balances - Governmental Funds – For the Fiscal Year Ended June 30, 2007 .....	32
Statement of Receipts, Disbursements, and Changes In Fund Balance –Budget and Actual - Budget Basis - General Fund – For the Fiscal Year Ended June 30, 2007 .....	33
Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual – Budget Basis - Help Me Grow TANF Fund – For the Fiscal Year Ended June 30, 2007 .....	34
Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual – Budget Basis - Help Me Grow GRF Fund – For the Fiscal Year Ended June 30, 2007 .....	35
Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual – Budget Basis – Children’s Trust Fund – For the Fiscal Year Ended June 30, 2007 .....	36
Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual – Budget Basis – Partnership for Success – For the Fiscal Year Ended June 30, 2007 .....	37
Notes to the Basic Financial Statements .....	39
Independent Accountants’ Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Required By <i>Government Auditing Standards</i> .....	47



# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Logan County Family and Children First Council  
Logan County  
P.O. Box 710  
1973 St. Rt. 47 W  
Bellefontaine, Ohio 43311

To the Members of Council:

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 fiscal years ended June 30, 2008 and 2007, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Logan County Family and Children First Council, Logan County, as of June 30, 2008 and 2007, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund, Help Me Grow TANF Fund, Help Me Grow GRF Fund, Children's Trust Fund, Partnership for Success Fund, and Project Child Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2009, 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

**Mary Taylor, CPA**  
Auditor of State

March 23, 2009

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
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, 2008, 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 2008 are as follows:

- Total net assets decreased \$19,858, or 25%, during 2008. The fund most affected by the decrease in cash and cash equivalents was the General Fund as a result of a combination of decreased revenues and increased expenditures during the fiscal year.
- The Council's receipts are primarily from intergovernmental funding. These receipts represent 97% 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 assets and the statement of activities provide information about the Council's cash position and the changes in cash position at the entity wide level.

The statement of cash basis assets and fund balances 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008  
UNAUDITED  
(Continued)**

**Reporting the Government as a Whole**

The statement of net assets and the statement of activities reflect how the Council did financially during 2008, within the limits of cash basis accounting. The statement of net assets presents the cash balances of the Council at year-end. The statement of activities 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 assets and the statement of activities, the Council presents one type of activity:

**Governmental activities** - All of the Council's basic services are reported here. Intergovernmental revenue finances almost of 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 Government 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 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 2008 include the General, Help Me Grow - TANF, Help Me Grow - GRF, Children's Trust, and Project Child.

Table 1 provides a summary of the Council's net assets for fiscal 2008 compared to fiscal year 2007 and 2006.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008  
UNAUDITED  
(Continued)**

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

	<b>2008</b>	<b>2007</b>
<b>Assets:</b>		
Current and Other Assets	\$60,570	\$74,966
Total Assets	<u>60,570</u>	<u>74,966</u>
<b>Net Assets:</b>		
Restricted	60,570	62,945
Unrestricted		12,021
Total	<u>\$60,570</u>	<u>\$77,764</u>

As mentioned previously, net assets decreased \$14,018, or 18%, during 2008. The decrease was primarily associated with an increase in expenditures with established programs.

Table 2 reflects the changes in net fund balances during 2008, compared to 2007.

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

	<b>2008</b>	<b>2007</b>
<b>Revenues:</b>		
<b>Program Revenues:</b>		
Operating Grants, Contributions and Interest	\$542,434	\$581,921
Total Program Revenues	<u>542,434</u>	<u>581,921</u>
<b>General Revenues:</b>		
Unrestricted Grants	169,403	140,453
Miscellaneous	20,224	2,543
Total General Revenues	<u>189,627</u>	<u>142,996</u>
Total Revenues	<u>732,061</u>	<u>724,917</u>
<b>Expenses:</b>		
Personal Services	341,016	297,905
Employers' Retirement and Insurance	137,269	83,808
Purchased Services	235,819	280,621
Supplies and Materials	19,954	7,751
Capital Outlay		341
Other	17,861	40,672
Total Expenses	<u>751,919</u>	<u>711,098</u>
Increase/(Decrease) in Net Assets	<u>(\$ 19,858)</u>	<u>\$ 13,819</u>

Program receipts represent 74% of total receipts for 2008 and are comprised of receipts that are restricted for specific programs. The largest category of disbursements was personal services (wages). Purchased services were the second largest 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008  
UNAUDITED  
(Continued)**

**Governmental Activities**

If you look at the Statement of Activities on page 8, 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 45 percent, and 31 percent, of all governmental disbursements, respectively. Employees' retirement and insurance also represents a significant cost of 18 percent. 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**

	<b>Total Cost of Services 2008</b>	<b>Net Cost of Services 2008</b>	<b>Total Cost of Services 2007</b>	<b>Net Cost of Services 2007</b>
Personal Services	\$341,016	\$ 98,619	\$297,905	\$ 48,021
Employees' Retirement and Insurance	137,270	41,369	83,808	16,368
Purchased Services	235,819	51,000	280,621	37,878
Supplies and Materials	19,954	2,626	7,751	1,213
Capital Outlay			341	
Other	17,861	15,871	40,672	25,697
<b>Total Expenses</b>	<b>\$751,920</b>	<b>\$209,485</b>	<b>\$711,098</b>	<b>\$129,177</b>

**The Government's Funds**

Total governmental funds had receipts of \$732,061 and disbursements of \$751,919. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$12,021 as a result of increased personal and purchased services costs. The Council plans to offset deficit spending by controlling costs and looking for additional funding.

**General Fund Budgeting Highlights**

The Council's primary operating fund is the General Fund. Budgeted receipts were increased by \$50,896 and budgeted disbursements were increased by \$43,899 between the original and final budget. Final disbursements in 2008 were budgeted at \$240,134, while actual disbursements were \$198,325.

**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 Sara Tracey, Treasurer, Logan County Educational Service Center, 121 South Opera Street, Bellefontaine, Ohio 43311.

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

**STATEMENT OF NET ASSETS - CASH BASIS  
JUNE 30, 2008**

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$60,570</u>
Total Assets	<u><u>60,570</u></u>
<b>Net Assets</b>	
<b>Restricted for:</b>	
Other Purposes	<u>60,570</u>
Total Net Assets	<u><u>\$60,570</u></u>

*See accompanying notes to the basic financial statements.*

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

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

		<u>Program Cash Receipts</u>	<u>Net (Disbursements) Receipts and Changes Fund Balances</u>
	<u>Cash</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities</b>	<b>Disbursements</b>		
Personal Services	(\$341,016)	\$242,397	(\$98,619)
Employees' Retirement and Insurance	(137,269)	95,900	(41,369)
Purchased Services	(235,819)	184,819	(51,000)
Supplies and Materials	(19,954)	17,328	(2,626)
Other	(17,861)	1,990	(15,871)
<b>Total Governmental Activities</b>	<b><u>(\$751,919)</u></b>	<b><u>\$542,434</u></b>	<b><u>(209,485)</u></b>
		<b>General Receipts</b>	
		Grants and Entitlements not Restricted to Specific Programs	169,403
		Miscellaneous	20,224
		<b>Total General Receipts</b>	<b><u>189,627</u></b>
		 Change in Net Assets	 (19,858)
		 Net Assets Beginning of Year	 <u>80,428</u>
		 Net Assets End of Year	 <b><u>\$60,570</u></b>

*See accompanying notes to the basic financial statements.*

LOGAN COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
LOGAN COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
JUNE 30, 2008

	General	Help Me Grow TANF	Help Me Grow GRF	Children's Trust Fund	Project Child	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents			\$14,191	\$8,731	\$17,048	\$20,600	\$60,570
Total Assets			<u>14,191</u>	<u>8,731</u>	<u>17,048</u>	<u>20,600</u>	<u>60,570</u>
<b>Fund Balances</b>							
<b>Reserved:</b>							
Reserved for Encumbrances	\$16,011	\$1,878	2,479		750	21,904	43,022
<b>Unreserved, Reported in:</b>							
General Fund	(16,011)						(16,011)
Special Revenue Funds		(1,878)	11,712	8,731	16,298	(1,304)	33,559
Total Fund Balances			<u>\$14,191</u>	<u>\$8,731</u>	<u>\$17,048</u>	<u>\$20,600</u>	<u>\$60,570</u>

See accompanying notes to the basic financial statements.

**LOGAN COUNTY 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, 2008**

	<u>General</u>	<u>Help Me Grow TANF</u>	<u>Help Me Grow GRF</u>	<u>Children's Trust Fund</u>	<u>Project Child</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Receipts</b>							
Intergovernmental	\$169,403	\$218,406	\$47,082		\$26,116	\$250,830	\$711,837
Miscellaneous	20,139					85	20,224
Total Receipts	<u>189,542</u>	<u>218,406</u>	<u>47,082</u>		<u>26,116</u>	<u>250,915</u>	<u>732,061</u>
<b>Disbursements</b>							
Personal Services	76,077	178,589	30,884		7,403	48,063	341,016
Employees' Retirement and Insurance	34,391	66,467	8,567		6,503	21,341	137,269
Purchased Services	58,178	28,112	3,848		624	145,057	235,819
Supplies and Materials	2,027	4,748	116			13,063	19,954
Other	11,641	3,944	1,450			826	17,861
Total Disbursements	<u>182,314</u>	<u>281,860</u>	<u>44,865</u>		<u>14,530</u>	<u>228,350</u>	<u>751,919</u>
Receipts Over (Under) Disbursements	7,228	(63,454)	2,217		11,586	22,565	(19,858)
<b>Other Financing Sources (Uses)</b>							
Advances In	29,906	55,735				2,770	88,411
Advances Out	(49,155)		(9,350)			(29,906)	(88,411)
Total Other Financing Sources	<u>(19,249)</u>	<u>55,735</u>	<u>(9,350)</u>			<u>(27,136)</u>	
Net Change in Fund Balances	(12,021)	(7,719)	(7,133)		11,586	(4,571)	(19,858)
Fund Balances Beginning of Year (Restated - Note 3)	<u>12,021</u>	<u>7,719</u>	<u>21,324</u>	<u>\$8,731</u>	<u>5,462</u>	<u>25,171</u>	<u>80,428</u>
Fund Balances End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$14,191</u>	<u>\$8,731</u>	<u>\$17,048</u>	<u>\$20,600</u>	<u>\$60,570</u>

See accompanying notes to the basic financial statements.

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

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental	\$195,382	\$246,278	\$169,403	(\$76,875)
Miscellaneous			20,139	20,139
Total Receipts	<u>195,382</u>	<u>246,278</u>	<u>189,542</u>	<u>(56,736)</u>
<b>Disbursements</b>				
Personal Services	114,960	117,692	76,077	41,615
Employees' Retirement and Insurance	20,222	36,300	34,391	1,909
Purchased Services	46,267	73,346	70,900	2,446
Supplies and Materials	2,000	2,258	2,215	43
Capital Outlay		2,360	2,360	
Other	12,786	8,178	12,382	(4,204)
Total Disbursements	<u>196,235</u>	<u>240,134</u>	<u>198,325</u>	<u>41,809</u>
Excess of Receipts Over (Under) Disbursements	<u>(853)</u>	<u>6,144</u>	<u>(8,783)</u>	<u>(14,927)</u>
<b>Other Financing Sources (Uses)</b>				
Advances In			29,906	29,906
Advances Out			(49,155)	(49,155)
Total Other Financing Sources (Uses)			<u>(19,249)</u>	<u>(19,249)</u>
Net Change in Fund Balance	(853)	6,144	(28,032)	(34,176)
Fund Balance Beginning of Year	(10,443)	(10,443)	(10,443)	
Prior Year Encumbrances Appropriated	<u>22,464</u>	<u>22,464</u>	<u>22,464</u>	
Fund Balance End of Year	<u>\$11,168</u>	<u>\$18,165</u>	<u>(\$16,011)</u>	<u>(\$34,176)</u>

*See accompanying notes to the basic financial statements.*

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

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
HELP ME GROW TANF FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$250,560	\$328,429	\$218,406	(\$110,023)
Total Receipts	<u>250,560</u>	<u>328,429</u>	<u>218,406</u>	<u>(110,023)</u>
<b>Disbursements</b>				
Personal Services	175,899	178,592	178,589	3
Employees' Retirement and Insurance	53,899	75,203	66,467	8,736
Purchased Services	9,900	30,430	29,990	440
Supplies and Materials	500	4,748	4,748	
Other	10,362		3,944	(3,944)
Total Disbursements	<u>250,560</u>	<u>288,973</u>	<u>283,738</u>	<u>5,235</u>
Excess of Receipts Over (Under) Disbursements		<u>39,456</u>	<u>(65,332)</u>	<u>(104,788)</u>
<b>Other Financing Sources (Uses)</b>				
Advances In			55,735	55,735
Total Other Financing Sources (Uses)			<u>55,735</u>	<u>55,735</u>
Net Change in Fund Balance		39,456	(9,597)	(49,053)
Fund Balance Beginning of Year	(25,367)	(25,367)	(25,367)	
Prior Year Encumbrances Appropriated	<u>33,086</u>	<u>33,086</u>	<u>33,086</u>	
Fund Balance End of Year	<u>\$7,719</u>	<u>\$47,175</u>	<u>(\$1,878)</u>	<u>(\$49,053)</u>

*See accompanying notes to the basic financial statements.*

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

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
HELP ME GROW GRF FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$59,212	\$66,418	\$47,082	(\$19,336)
Total Receipts	<u>59,212</u>	<u>66,418</u>	<u>47,082</u>	<u>(19,336)</u>
<b>Disbursements</b>				
Personal Services	28,222	30,901	30,884	17
Employees' Retirement and Insurance	11,316	9,976	8,567	1,409
Purchased Services	6,800	4,447	3,848	599
Supplies and Materials		942	905	37
Capital Outlay		1,340	1,340	
Other	12,874	20,800	1,800	19,000
Total Disbursements	<u>59,212</u>	<u>68,406</u>	<u>47,344</u>	<u>21,062</u>
Excess of Receipts (Under) Disbursements		(1,988)	(262)	1,726
<b>Other Financing Sources (Uses)</b>				
Advances Out			(9,350)	(9,350)
Total Other Financing Sources (Uses)			<u>(9,350)</u>	<u>(9,350)</u>
Net Change in Fund Balance		(1,988)	(9,612)	(7,624)
Fund Balance Beginning of Year	19,256	19,256	19,256	
Prior Year Encumbrances Appropriated	<u>2,068</u>	<u>2,068</u>	<u>2,068</u>	
Fund Balance End of Year	<u>\$21,324</u>	<u>\$19,336</u>	<u>\$11,712</u>	<u>(\$7,624)</u>

*See accompanying notes to the basic financial statements.*

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

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
CHILDREN'S TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental				
Total Receipts				
<b>Disbursements</b>				
Personal Services				
Employees' Retirement and Insurance				
Purchased Services				
Supplies and Materials				
Other				
Total Disbursements				
Excess of Receipts Over (Under) Disbursements				
Fund Balance Beginning of Year	\$8,731	\$8,731	\$8,731	
Fund Balance End of Year	<u>\$8,731</u>	<u>\$8,731</u>	<u>\$8,731</u>	<u>\$0</u>

*See accompanying notes to the basic financial statements.*

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

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
PROJECT CHILD FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental		\$26,144	\$26,116	(\$28)
Total Receipts		<u>26,144</u>	<u>26,116</u>	<u>(28)</u>
<b>Disbursements</b>				
Personal Services		7,500	7,403	97
Employees' Retirement and Insurance	\$4,088	8,653	6,503	2,150
Purchased Services		2,250	1,374	876
Total Disbursements	<u>4,088</u>	<u>18,403</u>	<u>15,280</u>	<u>3,123</u>
Excess of Receipts Over (Under) Disbursements	<u>(4,088)</u>	<u>7,741</u>	<u>10,836</u>	<u>3,095</u>
Net Change in Fund Balance	(4,088)	7,741	10,836	3,095
Fund Balance Beginning of Year	1,374	1,374	1,374	
Prior Year Encumbrances Appropriated	<u>4,088</u>	<u>4,088</u>	<u>4,088</u>	
Fund Balance End of Year	<u>\$1,374</u>	<u>\$13,203</u>	<u>\$16,298</u>	<u>\$3,095</u>

*See accompanying notes to the basic financial statements.*

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**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 per cent 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 and 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 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 3301.32 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 BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(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 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 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 BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(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 Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

**1. Government-Wide Financial Statements**

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

The Statement of Net Assets presents the financial condition of the governmental activities of the Council at year-end. The Statement of Activities 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 BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(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 and Temporary Aid to Needy Families (TANF) Fund** – This Fund is to account for State Help Me Grow and Federal TANF grant monies.

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

**Children's Trust Fund** – This Fund accounts for money received from the Ohio Department of Job and Family Services. The money is used for child abuse and neglect prevention and can be used for training, direct programming, or other needs relating back to prevention of child abuse and neglect.

**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.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

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

**B. Cash**

As required by the 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.

**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 Assets**

These statements report restricted net assets 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 Rev. 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 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.

**3. ACCOUNTNG CHANGE**

The June 30, 2007 ending balance was restated for July 01, 2007 when the Council became Administrative Agent for the Project Child Fund.

Ending Balance, June 30, 2007	\$74,966
Project Child Fund Balance, June 30, 2007	<u>5,462</u>
Restated Balance, July 01, 2007	<u>\$80,428</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**4. CASH AND CASH EQUIVALENTS**

The Council's cash pool is maintained by the Logan County Educational Service Center (the ESC). The Ohio Revised Code prescribes allowable deposits and investments, and the ESC is responsible for meeting compliance. The Council's carrying amount of cash on deposit at June 30, 2008 was \$60,570.

**5. BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for 2008 are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis).

**6. INTERFUND BALANCES**

Unpaid interfund cash advances at June 30, 2008 were as follows:

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General	\$49,155	
Help Me Grow – TANF		\$55,735
Help Me Grow – GRW	9,350	
Other Governmental		2,770
Totals	\$58,505	\$58,505

**7. RETIREMENT SYSTEM**

**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 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 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 School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (800) 878-5853. It is also posted on SERS' website, [www.ohsers.org](http://www.ohsers.org), under Forms and Publications.

**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 contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2008, 9.16 percent of annual covered salary 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 a statutory maximum amount of 10 percent for plan members and 14 percent for employers.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**7. RETIREMENT SYSTEM (Continued)**

Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The Council's required contributions for pension obligation for the fiscal years ended June 30, 2008, 2007, and 2006, were \$31,237, \$27,791, and \$28,909, respectively; 100 percent has been contributed for each fiscal year.

**8. POSTEMPLOYMENT 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 SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

**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 401h. For 2008, 4.18 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 2008, this amount was \$3,000.

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.

The Council's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$14,254, \$9,890, and \$10,089 respectively; 100 percent has been contributed for each fiscal year.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006, were \$2,251, \$2,026, and \$2,301, 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 insurance policy. Coverages provided under this policy include 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**9. RISK MANAGEMENT (Continued)**

**B. Health Insurance**

The Council's employees are covered under the Logan County Educational Service Center's (the ESC) 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, 2007.

**B. Litigation**

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
UNAUDITED**

The 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, 2007, 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 2007 are as follows:

- Total net assets increased \$13,819, or 23%, during 2007. The fund most affected by the increase in cash and cash equivalents was the General Fund 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 99.6% 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 assets and the statement of activities provide information about the Council's cash position and the changes in cash position at the entity wide level.

The statement of cash basis assets and fund balances 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
UNAUDITED  
(Continued)**

**Reporting the Government as a Whole**

The statement of net assets and the statement of activities reflect how the Council did financially during 2007, within the limits of cash basis accounting. The statement of net assets presents the cash balances of the Council at year-end. The statement of activities 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 assets and the statement of activities, the Council presents one type of activity:

**Governmental activities** - All of the Council's basic services are reported here. Intergovernmental revenue finances almost of 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 Government 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 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 2007 include the General, Help Me Grow - TANF, Help Me Grow - GRF, Children's Trust, and Partnership for Success.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
UNAUDITED  
(Continued)**

Table 1 provides a summary of the Council's net assets for fiscal 2007 compared to fiscal year 2006.

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

	<b>2007</b>	<b>2006</b>
<b>Assets:</b>		
Current and Other Assets	\$74,966	\$61,147
Total Assets	<u>74,966</u>	<u>61,147</u>
<b>Net Assets:</b>		
Restricted	62,945	58,491
Unrestricted	12,021	2,656
Total	<u>\$74,966</u>	<u>\$61,147</u>

As mentioned previously, net assets increased \$13,819, or 23%, during 2007. The increase was primarily associated with a combination of increased revenues associated with decreased expenditures within established programs.

Table 2 reflects the changes in net fund balances during 2007, compared to 2006.

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

	<b>2007</b>	<b>2006</b>
<b>Revenues:</b>		
<b>Program Revenues:</b>		
Operating Grants, Contributions and Interest	\$581,921	\$510,565
Total Program Revenues	<u>581,921</u>	<u>510,565</u>
<b>General Revenues:</b>		
Unrestricted Grants	140,453	110,334
Miscellaneous	2,543	
Total General Revenues	<u>142,996</u>	<u>110,334</u>
Total Revenues	<u>724,917</u>	<u>620,899</u>
<b>Expenses:</b>		
Personal Services	297,905	303,027
Employers' Retirement and Insurance	83,808	79,479
Purchased Services	280,621	188,172
Supplies and Materials	7,751	13,213
Capital Outlay	341	1,518
Other	40,672	42,650
Total Expenses	<u>711,098</u>	<u>628,059</u>
Increase/(Decrease) in Net Assets	<u>\$ 13,819</u>	<u>(\$ 7,160)</u>

Program receipts represent 80% of total receipts for 2007 and are comprised of receipts that are restricted for specific programs. The largest category of disbursements was personal services (wages). Purchased services were the second largest 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
UNAUDITED  
(Continued)**

**Governmental Activities**

If you look at the Statement of Activities on page 30, 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 42 percent and 39 percent, respectively, of all governmental disbursements. Employees' retirement and insurance also represents a significant cost of 12 percent. 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**

	<b>Total Cost of Services 2007</b>	<b>Net Cost of Services 2007</b>	<b>Total Cost of Services 2006</b>	<b>Net Cost of Services 2006</b>
Personal Services	\$297,905	\$ 48,021	\$303,027	\$ 62,104
Employees' Retirement and Insurance	83,808	16,368	79,479	12,906
Purchased Services	280,621	37,778	188,172	17,639
Supplies and Materials	7,751	1,213	13,213	2,830
Capital Outlay	341		1,518	204
Other	40,672	25,697	42,650	21,811
<b>Total Expenses</b>	<b>\$711,098</b>	<b>\$129,177</b>	<b>\$628,059</b>	<b>\$117,494</b>

**The Government's Funds**

Total governmental funds had receipts of \$724,917 and disbursements of \$711,098. The greatest increase occurred within the General Fund. The fund balance of the General Fund increased \$9,365 as a result of increased revenues and reduction in expenses.

**General Fund Budgeting Highlights**

The Council's primary operating fund is the General Fund. There was no significant change in budgeted revenues with a slight increase in budgeted expenditures between the original and final budget. Final disbursements were budgeted at \$221,940, while actual disbursements were \$143,125. Actual revenues were less than budgeted.

**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, and other users 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 Sara Tracey, Treasurer, Logan County Educational Service Center, 121 South Opera Street, Bellefontaine, Ohio 43311.

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

**STATEMENT OF NET ASSETS - CASH BASIS  
JUNE 30, 2007**

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$74,966
Total Assets	<u>74,966</u>
<b>Net Assets</b>	
<b>Restricted for:</b>	
Other Purposes	62,945
Unrestricted	12,021
Total Net Assets	<u>\$74,966</u>

*See accompanying notes to the basic financial statements.*

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

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	<u>Program Cash Receipts</u>	<u>Net (Disbursements) Receipts and Changes Fund Balances</u>
<u>Cash Disbursements</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities</b>		
Personal Services	\$249,884	(\$48,021)
Employees' Retirement and Insurance	67,440	(16,368)
Purchased Services	242,743	(37,878)
Supplies and Materials	6,538	(1,213)
Capital Outlay	341	
Other	14,975	(25,697)
<b>Total Governmental Activities</b>	<u>\$581,921</u>	<u>(129,177)</u>
 <b>General Receipts</b>		
Grants and Entitlements not Restricted to Specific Programs		140,453
Miscellaneous		<u>2,543</u>
<b>Total General Receipts</b>		<u>142,996</u>
 Change in Net Assets		 13,819
 Net Assets Beginning of Year		 <u>61,147</u>
 Net Assets End of Year		 <u>\$74,966</u>

*See accompanying notes to the basic financial statements.*

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

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
JUNE 30, 2007**

	<u>General</u>	<u>Help Me Grow TANF</u>	<u>Help Me Grow GRF</u>	<u>Children's Trust</u>	<u>Partnership for Success</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$12,021	\$7,719	\$21,324	\$8,731	\$11,074	\$14,097	\$74,966
Total Assets	<u>12,021</u>	<u>7,719</u>	<u>21,324</u>	<u>8,731</u>	<u>11,074</u>	<u>14,097</u>	<u>74,966</u>
<b>Fund Balances</b>							
<b>Reserved:</b>							
Reserved for Encumbrances	22,464	33,086	2,068		10,919	12,738	81,275
<b>Unreserved, Reported in:</b>							
General Fund	(10,443)						(10,443)
Special Revenue Funds		(25,367)	19,256	8,731	155	1,359	4,134
Total Fund Balances	<u>\$12,021</u>	<u>\$7,719</u>	<u>\$21,324</u>	<u>\$8,731</u>	<u>\$11,074</u>	<u>\$14,097</u>	<u>\$74,966</u>

See accompanying notes to the basic financial statements.

**LOGAN COUNTY 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, 2007**

	<b>General</b>	<b>Help Me Grow TANF</b>	<b>Help Me Grow GRF</b>	<b>Children's Trust</b>	<b>Partnership for Success</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Receipts</b>							
Intergovernmental	\$140,453	\$287,731	\$45,490		\$101,800	\$146,900	\$722,374
Miscellaneous	2,513	30					2,543
Total Receipts	<u>142,966</u>	<u>287,761</u>	<u>45,490</u>		<u>101,800</u>	<u>146,900</u>	<u>724,917</u>
<b>Disbursements</b>							
Personal Services	48,021	165,771	23,857		23,499	36,757	297,905
Employees' Retirement and Insurance	16,368	45,006	9,465		2,065	10,904	83,808
Purchased Services	35,080	49,069	15,061		64,513	116,898	280,621
Supplies and Materials	1,213	2,086	415		3,638	399	7,751
Capital Outlay		341					341
Other	19,979	3,345	1,544			15,804	40,672
Total Disbursements	<u>120,661</u>	<u>265,618</u>	<u>50,342</u>		<u>93,715</u>	<u>180,762</u>	<u>711,098</u>
Receipts Over (Under) Disbursements	22,305	22,143	(4,852)		8,085	(33,862)	13,819
<b>Other Financing Sources (Uses)</b>							
Advances In	16,966					29,906	46,872
Advances Out	(29,906)	(14,424)				(2,542)	(46,872)
Total Other Financing Sources	<u>(12,940)</u>	<u>(14,424)</u>				<u>27,364</u>	
Net Change in Fund Balances	9,365	7,719	(4,852)		8,085	(6,498)	13,819
Fund Balances Beginning of Year	<u>2,656</u>		<u>26,176</u>	<u>\$8,731</u>	<u>2,989</u>	<u>20,595</u>	<u>61,147</u>
Fund Balances End of Year	<u>\$12,021</u>	<u>\$7,719</u>	<u>\$21,324</u>	<u>\$8,731</u>	<u>\$11,074</u>	<u>\$14,097</u>	<u>\$74,966</u>

See accompanying notes to the basic financial statements.

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

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$211,152	\$211,152	\$140,453	(\$70,699)
Miscellaneous		243	2,513	2,270
Total Receipts	<u>211,152</u>	<u>211,395</u>	<u>142,966</u>	<u>(68,429)</u>
<b>Disbursements</b>				
Personal Services	101,398	101,498	48,021	53,477
Employees' Retirement and Insurance	17,389	39,201	29,431	9,770
Purchased Services	40,300	42,307	39,931	2,376
Supplies and Materials	1,700	1,243	1,213	30
Capital Outlay	300			
Other	36,565	37,691	24,529	13,162
Total Disbursements	<u>197,652</u>	<u>221,940</u>	<u>143,125</u>	<u>78,815</u>
Excess of Receipts Over (Under) Disbursements	<u>13,500</u>	<u>(10,545)</u>	<u>(159)</u>	<u>10,386</u>
<b>Other Financing Sources (Uses)</b>				
Advances In			16,966	16,966
Advances Out			(29,906)	(29,906)
Total Other Financing Sources (Uses)			<u>(12,940)</u>	<u>(12,940)</u>
Net Change in Fund Balance	13,500	(10,545)	(13,099)	(2,554)
Fund Balance Beginning of Year	(12,489)	(12,489)	(12,489)	
Prior Year Encumbrances Appropriated	<u>15,145</u>	<u>15,145</u>	<u>15,145</u>	
Fund Balance End of Year	<u>\$16,156</u>	<u>(\$7,889)</u>	<u>(\$10,443)</u>	<u>(\$2,554)</u>

See accompanying notes to the basic financial statements.

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

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
HELP ME GROW TANF FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$248,000	\$356,488	\$287,731	(\$68,757)
Total Receipts	<u>248,000</u>	<u>356,488</u>	<u>287,731</u>	<u>(68,757)</u>
<b>Disbursements</b>				
Personal Services	158,504	165,771	165,771	
Employees' Retirement and Insurance	46,835	68,757	68,757	
Purchased Services	22,135	55,388	54,401	987
Supplies and Materials	300	4,387	4,379	8
Capital Outlay		340	341	(1)
Other	20,226	23,509	5,055	18,454
Total Disbursements	<u>248,000</u>	<u>318,152</u>	<u>298,704</u>	<u>19,448</u>
Excess of Receipts Over (Under) Disbursements		<u>38,336</u>	<u>(10,973)</u>	<u>(49,309)</u>
<b>Other Financing Sources (Uses)</b>				
Reduction of Expenditures			30	30
Advances In			(14,424)	(14,424)
Total Other Financing Sources (Uses)			<u>(14,394)</u>	<u>(14,394)</u>
Net Change in Fund Balance		38,336	(25,367)	(63,703)
Fund Balance Beginning of Year	(20,923)	(20,923)	(20,923)	
Prior Year Encumbrances Appropriated	<u>20,923</u>	<u>20,923</u>	<u>20,923</u>	
Fund Balance End of Year	<u>\$0</u>	<u>\$38,336</u>	<u>(\$25,367)</u>	<u>(\$63,703)</u>

*See accompanying notes to the basic financial statements.*

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

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
HELP ME GROW GRF FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$63,934	\$63,934	\$45,490	(\$18,444)
Total Receipts	<u>63,934</u>	<u>63,934</u>	<u>45,490</u>	<u>(18,444)</u>
<b>Disbursements</b>				
Personal Services	31,730	23,858	23,857	1
Employees' Retirement and Insurance	9,368	9,518	9,465	53
Purchased Services	4,586	18,396	17,129	1,267
Supplies and Materials	500	429	415	14
Other	17,750	18,557	1,544	17,013
Total Disbursements	<u>63,934</u>	<u>70,758</u>	<u>52,410</u>	<u>18,348</u>
Excess of Receipts (Under) Disbursements		<u>(6,824)</u>	<u>(6,920)</u>	<u>(96)</u>
Net Change in Fund Balance		(6,824)	(6,920)	(96)
Fund Balance Beginning of Year	20,260	20,260	20,260	
Prior Year Encumbrances Appropriated	<u>5,916</u>	<u>5,916</u>	<u>5,916</u>	
Fund Balance End of Year	<u>\$26,176</u>	<u>\$19,352</u>	<u>\$19,256</u>	<u>(\$96)</u>

*See accompanying notes to the basic financial statements.*

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
CHILDREN'S TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental				
Total Receipts				
<b>Disbursements</b>				
Personal Services				
Employees' Retirement and Insurance				
Purchased Services				
Supplies and Materials				
Other				
Total Disbursements				
Excess of Receipts Over (Under) Disbursements				
Net Change in Fund Balance				
Fund Balance Beginning of Year	\$8,731	\$8,731	\$8,731	
Fund Balance End of Year	\$8,731	\$8,731	\$8,731	

*See accompanying notes to the basic financial statements.*

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

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
PARTNERSHIP FOR SUCCESS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$101,800	\$101,800	\$101,800	
Total Receipts	<u>101,800</u>	<u>101,800</u>	<u>101,800</u>	
<b>Disbursements</b>				
Personal Services	23,500	23,500	23,499	\$1
Employees' Retirement and Insurance	2,306	4,031	4,031	
Purchased Services	67,694	72,919	72,916	3
Supplies and Materials	6,000	4,339	4,188	151
Capital Outlay	500			
Total Disbursements	<u>100,000</u>	<u>104,789</u>	<u>104,634</u>	<u>155</u>
Excess of Receipts Over (Under) Disbursements	<u>1,800</u>	<u>(2,989)</u>	<u>(2,834)</u>	<u>155</u>
Net Change in Fund Balance	1,800	(2,989)	(2,834)	155
Fund Balance Beginning of Year	103	103	103	
Prior Year Encumbrances Appropriated	<u>2,886</u>	<u>2,886</u>	<u>2,886</u>	
Fund Balance End of Year	<u><u>\$4,789</u></u>	<u><u>\$0</u></u>	<u><u>\$155</u></u>	<u><u>\$155</u></u>

*See accompanying notes to the basic financial statements.*

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**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 per cent 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 and 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 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 3301.32 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 BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(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 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 Family and Children First 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 BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(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 Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

**1. Government-Wide Financial Statements**

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

The Statement of Net Assets presents the financial condition of the governmental activities of the Council at year-end. The Statement of Activities 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 BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(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 and Temporary Aid to Needy Families (TANF) Fund** – This Fund is to account for State Help Me Grow and Federal TANF grant monies.

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

**Children's Trust Fund** – This Fund accounts for money received from the Ohio Department of Job and Family Services. The money is used for child abuse and neglect prevention and can be used for training, direct programming, or other needs relating back to prevention of child abuse and neglect.

**Partnership For Success Fund** – This Fund is used to account for money from the Department of Youth Services which is used to mobilize communities around issues related to families and children and engage them in action, and reduce duplication of effort between and among state and local agencies.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2007  
(Continued)**

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

**B. Cash**

As required by the 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.

**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 Assets**

These statements report restricted net assets 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 Rev. 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 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.

**3. CASH AND CASH EQUIVALENTS**

The Council's cash pool is maintained by the Logan County Educational Service Center. The Ohio Revised Code prescribes allowable deposits and investments, and the ESC is responsible for meeting compliance. The Council's carrying amount of cash on deposit at June 30, was \$74,966.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2007  
(Continued)**

**4. BUDGETARY BASIS OF ACCOUNTING**

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

**5. INTERFUND BALANCES**

Unpaid interfund cash advances at June 30, 2007 were as follows:

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General	\$29,906	
Other Governmental		29,906
Totals	\$29,906	\$29,906

**6. RETIREMENT SYSTEM**

**School Employees Retirement System**

The Council contributes to the School Employees Retirement System (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 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 School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

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 2007, 10.68 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The Council's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2007, 2006 and 2005 were \$31,816, \$31,210 and \$26,519 respectively; 100 percent has been contributed for each fiscal year.

**7. POST-EMPLOYMENT BENEFITS**

The Council provides comprehensive health care benefits to retired non-certificated employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The system is funded on a pay-as-you-go basis.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2007  
(Continued)**

**7. POST-EMPLOYMENT BENEFITS (Continued)**

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility, and retirement status.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2007, employer contributions to fund health care benefits were 3.32 percent of covered payroll, compared to 3.42 percent of covered payroll for fiscal year 2006. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2007, the minimum pay was established at \$35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2007 fiscal year equaled \$12,608.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next year. Expenses for health care at June 30, 2006, (the latest information available), were \$158,751,207. At June 30, 2006, SERS had net assets available for payment of health care benefits of \$295.6 million. SERS has 59,492 participants eligible to receive benefits.

**8. RISK MANAGEMENT**

**A. Property and Liability**

The Council is covered under the Logan County Educational Service Center's insurance policy. Coverages provided under this policy include 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 Logan County Educational Service Center's (the ESC) 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, 2007.

**B. Litigation**

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

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# Mary Taylor, CPA

## Auditor of State

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

Logan County Family and Children First Council  
Logan County  
P.O. Box 710  
1973 St. Rt. 47 W  
Bellefontaine, Ohio 43311

To the Members of Council:

We have audited 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, (the Council) as of and for the fiscal years ended June 30, 2008 and 2007, which collectively comprise the Council's basic financial statements and have issued our report thereon dated March 23, 2009. 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 expressing our opinion on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Council's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Council's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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 audit committee, management, and Members of Council. It is not intended for anyone other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

March 23, 2009



Mary Taylor, CPA  
Auditor of State

**LOGAN COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**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 7, 2009**