

**SUMMIT COUNTY CHILDREN SERVICES BOARD**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

Varney, Fink & Associates, Inc.  
Certified Public Accountants





# Mary Taylor, CPA

Auditor of State

Board Members  
Summit County Children Services Board  
264 South Arlington Street  
Akron, Ohio 44306

We have reviewed the *Independent Auditor's Report* of the Summit County Children Services Board, Summit County, prepared by Varney, Fink & Associates, Inc., for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Summit County Children Services Board is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

July 22, 2009

**This Page is Intentionally Left Blank.**

**SUMMIT COUNTY CHILDREN SERVICES BOARD  
INDEPENDENT AUDITOR'S REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

**TABLE OF CONTENTS**

<i>INDEPENDENT AUDITOR'S REPORT</i> .....	1
<i>Management's Discussion and Analysis</i> .....	3
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements:	
Statement of Net Assets .....	9
Statement of Activities .....	10
Fund Financial Statements:	
Balance Sheet – Governmental Fund .....	11
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities .....	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities .....	14
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – (Non-GAAP Basis) General Fund .....	15
Statement of Fiduciary Net Assets – Fiduciary Fund .....	16
Notes to the Basic Financial Statements .....	17
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i> .....	37

**This Page is Intentionally Left Blank.**

INDEPENDENT AUDITOR'S REPORT

Summit County Children Services Board  
264 South Arlington Street  
Akron, OH 44306-1399

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Summit County Children Services Board (SCCS), as of and for the year ended December 31, 2008, which collectively comprise SCCS's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of SCCS's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the financial statements of SCCS, are intended to present the financial position, and the changes in financial position of only that portion of the governmental activities, each major fund and the aggregate remaining fund information of Summit County, Ohio that is attributable to the transactions of SCCS. They do not purport to, and do not, present fairly the financial position of Summit County, Ohio, as of December 31, 2008, and the changes in its financial position for the year then ended in conformity with 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 financial position of the governmental activities, each major fund and the aggregate remaining fund information of SCCS, as of December 31, 2008 and respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2009 on our consideration of SCCS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to

**INDEPENDENT AUDITOR'S REPORT** (continued)

provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion thereon.

*Varney, Fink & Associates*

VARNEY, FINK & ASSOCIATES, INC.  
Certified Public Accountants

June 16, 2009



**SUMMIT COUNTY CHILDREN SERVICES  
SUMMIT COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

**Management's Discussion and Analysis**

The management of Summit County Children Services (SCCS), a special revenue fund of the County of Summit, is presenting an overview of SCCS's financial activities for the year ended December 31, 2008 in addition to the audited financial statements. This additional information is being provided to meet certain disclosure requirements of the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. The Independent Auditor's Report, the Basic Financial Statements, Notes to the Basic Financial Statements and Supplementary Information should be read in conjunction with the following discussion. Prior year information is provided when available and applicable.

**Financial Highlights**

- The primary source of revenues for SCCS is the 2.25 mill levy approved by Summit County residents in 2007 replacing a 2.56 mill levy originally approved in 1999
- 2008 reflects the first year of a six year levy collections
- The replacement levy increased revenues in 2008 by \$1.4 million
- During 2008, SCCS increased the Fund Balance by \$2.1 million
- Total Net Assets increased during 2008 by \$1.3 million

**Overview of the Basic Financial Statements**

Management's Discussion and Analysis is intended to serve as an introduction to SCCS's basic financial statements. SCCS is a special fund of the County of Summit; therefore, the statements and discussion focus on the portion of funds and transactions of SCCS and are intended to emphasize SCCS's overall financial status. The Basic Financial Statements are intended to provide a broad overview of SCCS's activities and offer short and long term financial information.

## Basic Financial Statements

The Statement of Net Assets is based upon the principles of the Governmental Accounting Standards Board using accrual basis of accounting and these statements are similar to other governmental units. The Statement of Net Assets provides information about all of SCCS's assets and liabilities as of December 31, 2008. Changes in net assets will serve as a useful indicator of the financial health of SCCS. Tracking changes in net assets will indicate improvement or deterioration when taking into account other non-financial factors, i.e. changes in real estate tax valuations, number of referrals made to SCCS, continued levy support, etc. Since SCCS is a special fund of the County of Summit, all of its assets and liabilities are reported as Governmental Activities and are divided into the following categories:

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)

The Statement of Activities illustrates how the services provided by SCCS were financed as well as what dollars remain for future spending. The Statement of Activities is divided into the following categories:

- Program Expenses
- Program Revenues
- General Revenues
- Change in Net Assets
- Net Assets at the Beginning of the Year
- Net Assets at the End of the Year

SCCS's Balance Sheet as of December 31, 2008 reports all current assets and current liabilities for the total Governmental Funds. The report is based upon modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash and therefore excludes fixed assets as well as long-term liabilities. The Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance SCCS's services and programs. The Balance Sheet is divided into the following categories:

- Assets
- Liabilities
- Fund Balances

Table 1 is a summary of the Total Net Assets for SCCS. Total Net Assets increased by \$1,360,787 or 2.9 percent during 2008. There were no significant changes from 2007 to 2008. Some items of interest during 2008 with a financial impact on the Net Assets are listed:

- Equity in Pooled Cash, Cash Equivalents and Investments increased \$1,838,477 during the year as the first year of the replacement levy recognized higher revenues.
- Due from Other Governments increased \$391,331 from 2007 and Taxes Receivable decreased by \$761,699. The House Bill 66 phase out of the Tangible Personal Property Taxes continues to reduce local tax receipts and increase the state portion or inter governmental receipts. These line items offset each other in the Current and Other Assets portion of the table.

SCCS has no long-term debt related to its asset holdings.

Table 1  
Net Assets  
(In Thousands of Dollars)

	Governmental Activities			Percentage Change
	2008	2007	Dollar Change	
<b>Assets</b>				
Current and Other Assets	\$67,500	\$65,826	\$1,674	2.5%
Capital Assets, Net	11,174	11,584	(410)	(3.5%)
Total Assets	<u>\$78,674</u>	<u>\$77,410</u>	<u>\$1,264</u>	1.6%
<b>Liabilities</b>				
Current and Other Liabilities	27,792	27,962	(170)	(0.6%)
Long-Term Liabilities	2,630	2,556	74	2.9%
Total Liabilities	<u>\$30,422</u>	<u>\$30,518</u>	<u>(\$96)</u>	(0.3%)
<b>Net Assets</b>				
Invested in Capital Assets	11,174	11,584	(410)	(3.5%)
Restricted	296	289	7	2.4%
Unrestricted	36,782	35,019	1,763	5.0%
Total Net Assets	<u><u>\$48,252</u></u>	<u><u>\$46,892</u></u>	<u><u>\$1,360</u></u>	2.9%

Table 2 is a summary of the Changes in Net Assets for SCCS. Total Revenues increased by \$4,720,069 or 9.8 percent from the prior year. SCCS has been fortunate in being able to continue to take advantage of several State and Federal grants as they become available to fund program and service expansions offered by SCCS. SCCS is also fortunate to be supported by the local community through the passage of the real estate tax levy and the many donations made to SCCS in support of its programs. The larger changes in the revenue stream include:

- Operating Grants and Contributions increased \$1,995,774 from 2007 to 2008. This increase was due to several factors including several new state and federal grants.
- Property Tax Revenues increased by \$1,449,638 or 6.4% with the passage of a levy in 2007.
- Investment Earnings decreased \$27,544 or 21.2% from 2007 as the investments in government treasury notes and bonds decreased in value, thus incurring an unrealized capital loss.
- Expenditures remained relatively flat from 2007 to 2008, increasing by \$597,194 or 1.2%, which included employee salary and benefits, paid placements, foster care, adoption, and medical expenses for the children under care.

Table 2  
Net Assets  
(In Thousands of Dollars)

	2008	2007	Dollar Change	Percentage Change
<b>Revenues</b>				
<b>Program Revenues</b>				
Charges for Services	\$6,185	\$5,932	\$253	4.3%
Operating Grants and Contributions	16,835	14,840	1,995	13.4%
<b>General Revenues</b>				
Property Taxes	24,030	22,580	1,450	6.4%
Grants and Entitlements				
Not Restricted	5,444	4,403	1,041	23.6%
Investment Earnings	102	130	(28)	(21.5%)
Miscellaneous	352	343	9	2.6%
<b>Total Revenues</b>	<u>\$52,948</u>	<u>\$48,228</u>	<u>\$4,720</u>	<u>9.8%</u>
<b>Expenditures</b>				
Human Services	51,587	50,990	(597)	(1.2%)
<b>Increase (Decrease) in Net Assets</b>	<u>\$1,361</u>	<u>(\$2,762)</u>	<u>\$4,123</u>	<u>149.3%</u>

### Budgeting Highlights

As a special revenue fund of the County of Summit, the SCCS budget is included in the County of Summit budgeting and reporting. SCCS's internal budgeting process is detailed in the Notes to the Basic Financial Statements Number 2E, "Budgetary Data".

During 2008, there were no increases in total budget. Some minor budget adjustments were made during 2008, as budget dollars were transferred to handle changes in expense areas. These budget adjustments were made within authorized budget line items.

### Capital Assets

At December 31, 2008, SCCS had \$11,173,722 invested in capital assets as detailed in Table 3. There was a \$410,571, or 3.5 percent decrease from December 31, 2007. The largest decrease, in all categories, except land, was related to the depreciation expense of \$461,830. A new asset category titled Land Improvements was created due to a purchase of fencing. Equipment purchases during 2008 were minimal. In addition, four vehicles were auctioned from the SCCS fleet and only two were replaced. The Construction in Progress remains unchanged although the plans for the construction for a Visitation Center have been temporarily placed on hold in consideration of funding and prioritization of needs.

Table 3  
Capital Assets at Year End  
(Net of Depreciation)

<b>Capital Asset</b>	2008	2007	Dollar Change	Percentage Change
Land	\$1,288,532	\$1,288,532	\$0	0.0%
Land Improvements	7,280	0	7,280	NA
Buildings	9,610,513	10,012,730	(402,217)	(4.0%)
Machinery and Equipment	61,891	92,583	(30,692)	(33.2%)
Vehicles	30,448	15,390	15,058	97.8%
Construction in Progress	175,058	175,058	0	0.0%
<b>Total Capital Assets at Year End</b>	<b>\$11,173,722</b>	<b>\$11,584,293</b>	<b>(\$410,571)</b>	<b>(3.5%)</b>

SCCS has no long-term debt related to its asset holdings.

### **Economic Factors**

Although child abuse and neglect occur across all economic levels, a weakened economy can impact the service demand in Child Welfare. Employment and finances are major stress factors for many families. Increased stress through unemployment and lack of finances are often coupled with an increase in substance abuse, domestic violence, and an inability to meet basic needs. As family stressors increase, the risk of abuse, and neglect, as well as the need for services may also increase.

All calls of concerns related to abuse and neglect are processed through the Agency's Intake Department (Investigative/Initial Assessment) for investigation and assessment. Possible outcomes of the investigation include a disposition of substantiated, indicated, or unsubstantiated. A decision is made to open a case and provide ongoing services, refer the family to other community resources or close the case at the Intake level based on safety, and risk factors. S.C.C.S. works closely with the community and has many programs available to provide parents with support and training in order to handle the multiple stressors they may be experiencing (Preventive / Protective). When children cannot be safely maintained at home or with relatives through safety planning, a petition for custody is requested through Summit County Juvenile Court. A case plan is developed with the family to assist them in working towards reunification while the children are placed in substitute care. (Kinship, Foster Care, Paid Placement). If permanent removal from the family home is necessary for the children, adoption services may be provided (Adoption and Placement subsidies).

In 2008, SCCS embarked on its first year of a six year levy plan. Summit County residents approved a 2.25 mill Replacement Levy in 2007 that will provide local tax funding for the period 2008 through 2013. This was a decrease in millage from the previous 2.56 mill levy that had been in place since 1999. In compliance with the levy plan, SCCS is spending down the cash reserve balance through routine operations during this period. In this time of economic recession, SCCS (as well as other local government agencies) is experiencing budget challenges as state and federal budgets are being cut.

The uncertainty of future funding increases each year. Funding allocations have already been reduced and face increased cuts as State revenue estimates are falling short of projections and is predicted to consume the State's rainy day funds and affect future budget allocations. On a positive note, the American Recovery and Reinvestment Act (ARRA) has resulted in a temporary increase in funding for the agency's care of Title IV-E eligible children in its custody. This funding was enacted retroactively to October 1, 2008 and will be in effect until December 31, 2010. Nevertheless, there is increased reliance on local levy dollars and the cash reserve to fund operations. The economic downturn resulting in high unemployment, increased foreclosures, lower property values, and a decline in new construction has already affected the tax collections in the early stages of the six year levy period. In addition, a phasing out of the tangible personal property tax is yet another factor jeopardizing sufficient finding levels in the future.

### **Contacting SCCS's Financial Management**

This financial report is designated to provide our citizens, taxpayers, investors and creditors with a general overview of SCCS's finances and to show SCCS's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Director of Finance, Summit County Children Services, 264 South Arlington Street, Akron, OH 44306-1399.

**Summit County Children Services  
Summit County  
Statement of Net Assets  
December 31, 2008**

	<u>Governmental Activities</u>
<b>Assets</b>	
<b>Current Assets:</b>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$33,203,920
Cash and Cash Equivalents in Segregated Accounts	99,738
Segregated Investment Accounts	2,028,338
Receivables	
Taxes	26,472,450
Accounts	1,746
Accrued Interest	11,712
Due from County Funds	228,858
Due from Other Governments	5,322,199
Prepaid Items	131,129
<b>Non-Current Assets:</b>	
Non-Depreciable Capital Assets	1,463,590
Depreciable Capital Assets, Net	<u>9,710,132</u>
<i>Total Assets</i>	<u>78,673,812</u>
<b>Liabilities</b>	
<b>Current Liabilities:</b>	
Accounts Payable	2,107,394
Accrued Wages Payable	599,956
Compensated Absences Payable - current portion	55,556
Due to Other Governments	31,411
Deferred Revenue - Taxes	24,573,901
Deferred Revenue - Other	0
Due to County Funds	423,474
<b>Non-Current Liabilities:</b>	
Compensated Absences Payable	<u>2,629,792</u>
<i>Total Liabilities</i>	<u>30,421,484</u>
<b>Net Assets</b>	
Invested in Capital Assets	11,173,722
Restricted	
Donated Funds	296,401
Unrestricted	<u>36,782,205</u>
<i>Total Net Assets</i>	<u><u>\$48,252,328</u></u>

See accompanying notes to the basic financial statements.

**Summit County Children Services**  
**Summit County**  
**Statement of Activities**  
**For the Year Ended December 31, 2008**

Function / Program	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
Governmental Activities				
General Government				
Human Services	\$51,411,119	\$6,185,025	\$16,769,170	(\$28,456,924)
Donated Funds	176,364	0	66,088	(110,276)
<i>Total Governmental Activities</i>	<u>\$51,587,483</u>	<u>\$6,185,025</u>	<u>\$16,835,258</u>	<u>(28,567,200)</u>
General Revenues				
Property Taxes Levied for General Purposes				24,029,697
Grants and Entitlements Not Restricted				5,444,201
Investment Earnings				102,487
Miscellaneous				351,602
<i>Total General Revenues</i>				<u>29,927,987</u>
Change in Net Assets				1,360,787
Net Assets Beginning of Year				<u>46,891,541</u>
Net Assets End of Year				<u>\$48,252,328</u>

See accompanying notes to the basic financial statements.



Summit County Children Services  
Summit County  
Balance Sheet  
Governmental Funds  
December 31, 2008

	Major Fund General Fund	Non-Major Fund Donated Funds	Total Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash, Cash Equivalents and Investments	\$33,203,920	\$0	\$33,203,920
Cash and Cash Equivalents in Segregated Accounts	0	99,738	99,738
Segregated Investment Accounts	0	2,028,338	2,028,338
Receivables			
Taxes	26,472,450	0	26,472,450
Accounts	1,746	0	1,746
Accrued Interest	0	11,712	11,712
Due from County Funds	228,858	0	228,858
Due from Other Governments	5,322,199	0	5,322,199
Prepaid Items	131,129	0	131,129
<i>Total Assets</i>	<u>\$65,360,302</u>	<u>\$2,139,788</u>	<u>\$67,500,090</u>
<b>Liabilities</b>			
Accounts Payable	\$2,107,394	\$0	\$2,107,394
Accrued Wages Payable	599,956	0	599,956
Compensated Absences Payable - current portion	55,556	0	55,556
Due to Other Governments	31,411	0	31,411
Deferred Revenue - Taxes	26,472,450	0	26,472,450
Deferred Revenue - Other	1,603,972	0	1,603,972
Due to County Funds	423,474	0	423,474
<i>Total Liabilities</i>	<u>31,294,213</u>	<u>0</u>	<u>31,294,213</u>
<b>Fund Balances</b>			
Reserved:			
Reserved for Encumbrances	1,569,243	0	1,569,243
Reserved for Prepaid Items	131,129	0	131,129
Unreserved reported in:			
General Fund	32,365,717	0	32,365,717
Special Revenue Fund	0	2,139,788	2,139,788
<i>Total Fund Balances</i>	<u>34,066,089</u>	<u>2,139,788</u>	<u>36,205,877</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$65,360,302</u>	<u>\$2,139,788</u>	<u>\$67,500,090</u>

See accompanying notes to the basic financial statements.

**Summit County Children Services**  
**Summit County**  
**Reconciliation of Total Governmental Fund Balances to**  
**Net Assets of Governmental Activities**  
**December 31, 2008**

---

Total Governmental Funds Balances		\$36,205,877
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		11,173,722
Other long-term liabilities are not available to pay for the current period expenditures and therefore are deferred in the fund:		
Taxes	1,898,549	
Intergovernmental	<u>1,603,972</u>	
Total		3,502,521
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds		
Compensated Absences		<u>(2,629,792)</u>
<i>Net Assets of Governmental Activities</i>		<u><u>\$48,252,328</u></u>

See accompanying notes to the basic financial statements.

**Summit County Children Services  
Summit County  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2008**

	Major Fund General Fund	Non-Major Fund Donated Funds	Total Governmental Funds
<b>Revenues</b>			
Property and Other Taxes	\$24,302,465	\$0	\$24,302,465
Charges for Services	6,185,025	0	6,185,025
Intergovernmental	22,266,368	0	22,266,368
Interest	0	102,487	102,487
Other	202,149	149,453	351,602
<i>Total Revenues</i>	<u>52,956,007</u>	<u>251,940</u>	<u>53,207,947</u>
<b>Expenditures</b>			
Human Services	50,927,193	176,364	51,103,557
<i>Total Expenditures</i>	<u>50,927,193</u>	<u>176,364</u>	<u>51,103,557</u>
<i>Net Change in Fund Balance</i>	2,028,814	75,576	2,104,390
<i>Fund Balance Beginning of Year</i>	<u>32,037,275</u>	<u>2,064,212</u>	<u>34,101,487</u>
<i>Fund Balance End of Year</i>	<u><u>\$34,066,089</u></u>	<u><u>\$2,139,788</u></u>	<u><u>\$36,205,877</u></u>

See accompanying notes to the basic financial statements.

**Summit County Children Services**  
**Summit County**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balance of the Governmental Fund to the Statement of Activities**  
**For the Year Ended December 31, 2008**

---

Net Change in Fund Balances - Total Government Funds \$2,104,390

*Amounts reported for governmental activities in the statement of activities are different because*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Fixed Asset Additions	\$51,259	
Current Year Depreciation	(461,827)	
		(410,568)
Total		(410,568)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Property Taxes	(272,768)	
Intergovernmental Revenue	13,091	
		(259,677)
Total		(259,677)

Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences		(73,358)
		(73,358)

*Change in Net Assets of Governmental Activities* \$1,360,787

See accompanying notes to the basic financial statements.

**Summit County Children Services**  
**Summit County**  
**Statement of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget and Actual (Non-GAAP Basis)**  
**General Fund**  
**For the Year Ended December 31, 2008**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Total	Final	Actual Total	
<b>Revenues</b>				
Taxes	\$27,213,358	\$27,213,358	\$27,527,004	(\$313,646)
Charges for Services	6,444,000	6,444,000	6,438,428	5,572
Intergovernmental	18,122,438	18,122,438	18,113,704	8,734
Other	367,739	367,739	367,098	641
Total Revenues	<u>52,147,535</u>	<u>52,147,535</u>	<u>52,446,234</u>	<u>(298,699)</u>
<b>Expenditures</b>				
Personal Services	19,888,400	19,888,400	19,813,372	75,028
Benefits	6,439,266	6,609,266	6,587,289	21,977
Supplies	866,795	866,795	833,599	33,196
Materials	48,527	48,527	41,580	6,947
Travel	627,517	791,517	773,698	17,819
Contract Services	26,589,857	26,560,857	26,293,750	267,107
Other	1,535,422	1,390,422	1,285,570	104,852
Medical Expenses	880,388	880,388	805,243	75,145
Equipment	991,705	831,705	636,198	195,507
Total Expenditures	<u>57,867,877</u>	<u>57,867,877</u>	<u>57,070,299</u>	<u>797,578</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(5,720,342)</u>	<u>(5,720,342)</u>	<u>(4,624,065)</u>	<u>(1,096,277)</u>
Net Change in Fund Balance	(5,720,342)	(5,720,342)	(4,624,065)	(1,096,277)
Fund Balance at Beginning of Year	27,047,844	27,047,844	27,047,844	0
Prior Year Encumbrances Appropriations	<u>3,810,841</u>	<u>3,810,841</u>	<u>3,810,841</u>	<u>0</u>
Fund Balance at End of Year	<u>\$25,138,343</u>	<u>\$25,138,343</u>	<u>\$26,234,620</u>	<u>(\$1,096,277)</u>

See accompanying notes to the basic financial statements.

**Children Services  
Summit County  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
December 31, 2008**

---

	<u>Agency</u>
Assets	
Cash and Cash Equivalents - Segregated Accounts	<u>\$126,697</u>
Total Assets	<u><u>\$126,697</u></u>
Liabilities	
Net Assets	
Held in Trust for the Benefit of the Children	<u>\$126,697</u>
Total Liabilities	<u><u>\$126,697</u></u>

**SUMMIT COUNTY CHILDREN SERVICES  
SUMMIT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 1 – REPORTING ENTITY**

The Summit County Children Services, Summit County, Ohio (SCCS) was created to represent the community's interest in the well being of its abused, neglected and dependent children. Pursuant to Section 5153 of the Ohio Revised Code, the Board is the single agency of county government mandated to investigate, care for and/or provide services to children from birth to age eighteen or twenty-one years and who are found to be in a potentially harmful situation. Such services are provided to the family and relatives of the children and may also extend to adults who have graduated from the care of SCCS. SCCS is located in Akron, County of Summit, in northeastern Ohio.

The Board of SCCS consists of eleven members, ten members are appointed by the County Executive and approved by the County Council and one member is the Chairperson of the Citizens Advisory Committee. Members are appointed to serve four-year terms. Members represent various roles in the community.

The mission of SCCS is to excel in the investigation of reports of child abuse and neglect and in the delivery of culturally sensitive, collaborative protective services that provide children with a safe, nurturing and permanent home.

The County of Summit is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the Constitution and laws of the State of Ohio. The County was formed by an enabling act of the Ohio State Legislature in 1840. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, the County of Summit's financial statements include all organizations, activities and functions which comprise the primary government and those legally separate entities for which the County is financially accountable. Financial accountability is defined as the appointment of a voting majority of the unit's board and either 1) the County's ability to impose its will over the unit; or 2) the possibility that the unit will provide financial benefit or impose a financial burden to the County. SCCS is not a legally separate entity. SCCS is part of the primary government of the County of Summit and is reported by the County as a special revenue fund. SCCS does not include any other units in its presentation.

As counties are structured in Ohio, the County Fiscal Officer serves as Auditor and Treasurer. The Fiscal Officer certifies the availability of cash and appropriations prior to the processing of payments and as the custodian of County funds, invests public monies held on deposit in the County treasury.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Children Services have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

**SUMMIT COUNTY CHILDREN SERVICES  
SUMMIT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. Basis of Presentation**

Government-Wide Financial Statements – The Statement of Net Assets and the Statement of Activities display information about SCCS as a whole. These statements include the financial activities of the SCCS, except for fiduciary funds. SCCS had no business-type activities during the year ended December 31, 2008.

The Statement of Net Assets presents the financial condition of the governmental activities of SCCS at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of SCCS'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 grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of SCCS, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of SCCS.

Fund Financial Statements – Fund financial statements are designed to present financial information of SCCS at a more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary Funds are reported by fund type.

**B. Fund Accounting**

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equity or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. SCCS uses a governmental fund to account for its activities.

Governmental Fund Types

Governmental funds are those which most governmental functions typically are financed. The acquisition, use and balance of SCCS's expendable financial resources and the related current liabilities are accounted for through governmental funds. The measurement focus is based upon determination of financial position and changes in financial position. Under this focus, only the sources, uses and balances of current expendable financial resources are accounted for in the funds. SCCS maintains a general fund, a special revenue fund, and a fiduciary fund.



**SUMMIT COUNTY CHILDREN SERVICES  
SUMMIT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*General* – This fund accounts for the general operating revenues and expenditures of SCCS and is available to SCCS for any purpose as allowed within the general laws of Ohio. The primary revenue sources are property taxes, charges for services, and intergovernmental revenues.

*Donated Funds* – This fund accounts for dollars donated to SCCS for a specified purpose or for the use of SCCS for the benefit of the children. Donated Funds are used in areas not allowable within the General Fund but may be used for the betterment of children under care or to enhance the child's life experiences and improve the child's well being. Examples include, but not limited to, holiday activities, after-school and sports programs.

Fiduciary Fund Types

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund categories include the following classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. SCCS maintains one agency fund. Agency funds are custodial in nature and do not involve measurement of results of operations, therefore, assets equal liabilities. SCCS' agency fund collectively accounts for monies held by individual children and is available as needed by the child or is transferred to the child/guardian upon emancipation.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statement is prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of SCCS are included on the Statement of Net Assets. The Statement of Activities present increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

Fund Financial Statement

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet.

The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources and the uses of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financials are prepared. Governmental fund financial statements include reconciliation, with brief explanations, to better identify the relationship between the government-wide statements and the statement for governmental funds.

**SUMMIT COUNTY CHILDREN SERVICES  
SUMMIT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "Available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For SCCS, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which SCCS receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which SCCS must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to SCCS on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: grants and interest.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance year 2009 operations, have been recorded as deferred revenue.

**SUMMIT COUNTY CHILDREN SERVICES  
SUMMIT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenditures

On the accrual basis of accounting, expenditures are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgetary Data

SCCS is required by state law to adopt annual budgets for its General Fund. The Summit County Council adopts an appropriations budget by January 1<sup>st</sup> of a given year or adopts a temporary appropriation measure with final passage of a permanent budget by April 1<sup>st</sup>. Budgets are adopted by major expenditure and revenue category. Donated Funds are not a part of the General Fund and therefore are not required by the ORC to have an annual budget, but an annual budget is approved by the Board of SCCS.

Each department and program director of SCCS prepares a budget request in conjunction with the Fiscal Department. The budget is reviewed and revised as necessary by the Executive Director and presented to the Resources Committee of the Board. The Resources Committee then makes a recommendation to the Board of Directors for approval. The detailed program budget is then submitted to the Department of Finance and Management of the County for review by the Social Service Advisory Board. The Social Service Advisory Board is committee of citizens appointed by the County Executive. The committee makes a recommendation to County Council for adoption.

Modifications and amendments, throughout the year, to the original budget must be processed by the Fiscal Department of SCCS. Major modifications are processed through the Department of Finance and Management of the County and approved by the Board of Trustees and also through legal resolution by County Council. Each budgetary statement includes all modifications and supplemental appropriations that were necessary during the year. The County maintains budgetary control by fund, function, organizational unit and object-class and does not permit expenditures and encumbrances to exceed appropriations. Unencumbered and unexpended appropriations lapse at year end in all annually budgeted funds.

**SUMMIT COUNTY CHILDREN SERVICES  
SUMMIT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

SCCS's budgetary process accounts for certain transactions on a budgetary basis instead of a GAAP basis. The major differences between the budget basis and the GAAP basis are that revenues are recorded when actually received (budget) as opposed to when susceptible to accruals (GAAP) and expenditures are recorded when paid (budget) as opposed to when incurred (GAAP). Additionally, SCCS reflects outstanding encumbrances as expenditures on the budgetary basis. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

The actual results of operations compared to the revised appropriations for annually budgeted governmental funds are presented in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis) – General Fund.

The adjustments necessary to convert the results of operation for the year from the Non-GAAP Budget Basis to the GAAP Basis for the General Fund is as follows:

Net Change in Fund Balance	
	General Fund
Non-GAAP Budget Basis	(\$4,624,065)
Net Adjustment for Revenue Accruals	509,773
Net Adjustment for Expenditure Accruals	4,573,863
Net Adjustment for Encumbrances	1,569,243
GAAP Basis	\$2,028,814

**F. Cash, Cash Equivalents and Investments**

Except for the Donated Funds and the Children Savings Funds, all moneys of SCCS are paid into the County treasury. It is pooled and invested in short-term investments by the Summit County Fiscal Officer in order to provide improved cash management. Individual fund integrity is maintained through the County's financial records. Investments are stated at fair value as of December 31, 2008. For presentation on the Balance Sheet, investments with original maturities of three months or less are considered to be cash and cash equivalents.

Interest allocation is determined by the Ohio Constitution, state statutes and debt indentures. Under these provisions, the interest earned on SCCS's funds is included in the General Fund of the County, except for the interest received on the Donated Funds and the Children Savings Funds, which is received and reported within those funds.

**SUMMIT COUNTY CHILDREN SERVICES  
SUMMIT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

G. Prepaid Items

Payments to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

H. Capital Assets and Depreciation

Building, machinery and equipment is stated on the basis of historical cost or, if contributed, at fair market value at the date received. In cases where information supporting original costs is not available, estimated historical costs are developed with the use of an independent appraisal report. All capital assets which are acquired or constructed for general governmental purposes are reported as expenditures in the fund that finances the asset acquisition and are capitalized (recorded and accounted for).

Depreciable assets include “Buildings and Building Improvements”, “Machinery and Equipment” and “Vehicles”. Assets under the classification “Land” and “Construction in Progress” are not depreciated and are reported as “Non-Depreciable” on the Statement of Net Assets. For assets listed as “Depreciable”, depreciation is estimated and expensed on the Statement of Activities. For depreciation purposes, SCCS is using the American Hospital Association’s “Estimated Useful Lives of Depreciable Hospital Assets” to estimate the useful lives of assets owned by SCCS. These useful lives are as follows:

Buildings and Building Improvements	10 – 40 years
Machinery and Equipment	5 – 25 years
Vehicles	4 years

Depreciation is based on the pro-rata half year convention which assumes that capital assets are acquired and disposed of throughout an accounting period and uses one full year of depreciation expense if an item is purchased within the first six months of the year or disposed of in the last six months of the year. Likewise, no depreciation expense is recognized if an item is purchased within the last six months of the year or is disposed of within the first six months of the year. Depreciation expense is determined using the straight-line method and salvage value is disregarded, if negligible or undeterminable.

I. Accrued and Long-Term Liabilities

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources.

**SUMMIT COUNTY CHILDREN SERVICES**  
**SUMMIT COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability to the extent that they will not be paid with current available expendable financial resources. Payments made more than 60 days after fiscal year end are considered not to have used current available financial resources.

J. Inter-County Transactions

During the normal course of operations, SCCS has several transactions with other Summit County departments. These transactions include charges for services provided by one county department to another or reimbursement of shared costs of children with special needs. Inter-county transactions are recorded as charges for services and program expenditures in governmental funds.

K. Compensated Absences

Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vested method. The liability is based on an estimate of the amount of accumulated sick leave that will probably be paid as termination benefits. The amount is based on accumulated sick leave and employee's wage rates at year end, taking into consideration any limits specified in SCCS's termination policy.

SCCS records a liability for accumulated, unused vacation for all employees with more than one year of service. The current portion of unpaid compensated absences is the amount payable using expendable available resources. These amounts are recorded as fund liabilities. The entire compensated absences liability is reported on the government-wide financial statements.

L. Reserved Fund Balance

Reserved fund balances indicate that a portion of the fund equity is not available for current appropriation or use or is legally segregated for future use. The unreserved portions of fund equity reflected for the governmental funds are available for use within the specific purposes of the funds. Fund balance reserves have been established for encumbrances and prepaid items.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, consists of capital assets, net of accumulated depreciation.

**SUMMIT COUNTY CHILDREN SERVICES  
SUMMIT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by SCCS or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

SCCS applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**N. Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES**

The GASB issued Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, which provide guidance on how to calculate and report costs and obligations associated with pollution cleanup efforts. The implementation of this statement has made no impact on the SCCS's financial reporting or results of financial position for 2008.

The GASB issued Statement No. 50, Pension Disclosures an amendment of GASB Statements No. 25 & No. 27, which more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits. The implementation of this statement has made no impact on the SCCS's financial reporting or results of financial position for 2008.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

Legal Requirements

State statutes classify monies held by the County into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the County treasury, in commercial accounts paid or withdrawn on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the County has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

**SUMMIT COUNTY CHILDREN SERVICES**  
**SUMMIT COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS** (continued)

Interim deposits are deposits of interim monies. Interim moneys are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts.

Protection of County deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by Surety Company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies can be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.



**SUMMIT COUNTY CHILDREN SERVICES**  
**SUMMIT COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)**

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

As a rule, Summit County does not segregate deposit and investments belonging to its individual funds. With regard to SCCS, the Ohio Revised Code does not specify that a County must segregate its deposits and investments. Consequently, the County pools the majority of SCCS' deposits and investments. This amount is presented as "Equity in Pooled Cash, Cash Equivalents and Investments" on the Statement of Net Assets and the Balance Sheet in the amount of \$33,203,920 as of December 31, 2008. Information regarding the classification of the County's deposits and investments, may be found in the County's Comprehensive Annual Financial Report for the year ended December 31, 2008.

SCCS maintains saving accounts for children under the care of SCCS, along with accounts for contributions and bequests that are not reflected on the County's cash records. These balances are reported as "Cash and Cash Equivalents in Segregated Accounts" and "Investments in Segregated Accounts" to indicate that they are not part of the County treasury.

A. Deposits with Financial Institutions

At December 31, 2008, the carrying amount of all SCCS deposits was \$226,435. All of the SCCS's bank balance of \$230,084 was covered by the Federal Insurance Corporation.

B. Investments

As of December 31, 2008, SCCS had the following investments and maturities:

Investment Type	Balance at Fair Value	Investment Maturities		
		Less than 1 Year	1 to 5 Years	More than 5 Years
U.S. Agencies	\$348,873	\$96,493	\$252,380	\$0
Money Market	930,543	930,543	0	0
U.S. Treasury Notes	748,922	296,807	318,272	133,843
Total	<u>\$2,028,338</u>	<u>\$1,323,843</u>	<u>\$570,652</u>	<u>\$133,843</u>

Interest Rate Risk: SCCS does not have a policy addressing interest rates or maturities of investments.

**SUMMIT COUNTY CHILDREN SERVICES  
SUMMIT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)**

Credit Risk: SCCS does not have a policy that addresses Credit Risk. As of December 31, 2008 the money market funds were rated AAA/Stable/A-1+ by Standard & Poor's.

Concentration of Credit Risk: SCCS does not have a policy that addresses the Concentration of Credit Risk. The following table includes the percentage of each investment type held by SCCS at December 31, 2008.

Investment Type	Fair Value	% of Total Value
U.S. Agencies	\$348,873	17.20%
Money Market Funds	930,543	45.87%
U.S. Treasury Notes	748,922	36.92%
Total	\$2,028,338	100.00%

**C. Reconciliation of Cash and Investments to the Statement of Net Assets**

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets at December 31, 2008.

Cash and Investments per Footnote	
Carry Amount of Deposits	
County Cash Records	\$33,203,920
Carrying Amount of SCCS	226,435
Total Carrying Amount of Deposits	\$33,430,355
Investments	2,028,338
Total	\$35,458,693
Cash and Investments per Statement of Net Assets	
Governmental Activities	\$35,331,996
Agency Funds	126,697
Total	\$35,458,693

**SUMMIT COUNTY CHILDREN SERVICES  
SUMMIT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 5 – PROPERTY TAX REVENUES**

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the County. 2007 real property taxes were levied after October 1, 2007 on the assessed value as of January 1, 2007, the lien date, and were collected in 2008. Assessed values are established by State Law at 35 percent of appraised market value. Public utility property taxes received in 2008 attached as a lien on December 31, 2006, were levied after October 1, 2007, and were collected with real property taxes. Public utility property taxes are assessed on tangible personal property at true value. 2008 tangible personal property taxes were levied after October 1, 2007, on the value listed as of December 31, 2007, and were collected in 2008. The assessed value upon which the 2007 taxes were collected was \$12,583,841,029. The full tax rate for all County operations applied to taxable property for fiscal year ended December 31, 2008, was \$12.80 per \$1,000 of assessed valuation, of which \$2.25 per \$1,000 of assessed valuation is for the operation of SCCS.

Real and public utility property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

Tangible personal property tax is being phased out. This percentage was reduced to 12.5% for 2007, and 6.25% for 2008, and will be zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost due to the phasing out of the tax. In calendar years 2006-2010, there will be full reimbursement for the lost revenue. In calendar years 2011-2017, the reimbursement will be phased out. Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County Fiscal Officer collects property taxes on behalf of all taxing districts within the County. The County Fiscal Officer – Auditor's Division periodically remits to the taxing districts their portions of the taxes collected. Collection of the taxes and remittance of them to the taxing districts are accounted for in various funds of the County, including SCCS.

**SUMMIT COUNTY CHILDREN SERVICES  
SUMMIT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 5 – PROPERTY TAX REVENUES** (continued)

Property taxes receivable represent delinquent taxes, outstanding real property, public utility and tangible personal property taxes which were measurable at December 31, 2008. Total property tax collections for the next fiscal year are measurable amounts. However, since tax collections to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2008 operations, the receivable is offset by a credit to deferred revenues.

**NOTE 6 – RECEIVABLES**

Receivables at December 31, 2008, consisted of taxes, accounts, accrued interest and due from other governments. Taxes, accounts, accrued interest and due from other governments are deemed collectible in full. Inter-county receivables are reflected in Note 12 and are excluded from these figures. A listing of due from other governments is as follows:

Source of Funds	Amounts
Title IV-E Administration	\$2,608,610
State of Ohio Homestead Rollback	1,603,972
Title IV-E	455,273
State Child Adoption Subsidy	131,702
Title IV-B	116,696
PASSS	102,534
ESAA	59,574
Independent Living	57,157
KPIP Administration	51,601
Kinship Incentive	46,000
HUD	32,104
Medicaid Related	24,350
Other	18,943
City of Akron	13,683
	<hr/>
Total	<u><u>\$5,322,199</u></u>

**SUMMIT COUNTY CHILDREN SERVICES**  
**SUMMIT COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**NOTE 7 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2008 is as follows:

	Balance 12/31/2007	Additions	Disposals	Balance 12/31/2008
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$1,288,532	\$0	\$0	\$1,288,532
Construction in Progress	175,058	0	0	175,058
Total Capital Assets, Not Being Depreciated	<u>1,463,590</u>	<u>0</u>	<u>0</u>	<u>1,463,590</u>
Capital Assets, Being Depreciated				
Land Improvements	0	7,800	0	7,800
Buildings	14,469,556	0	0	14,469,556
Machinery and Equipment	411,737	5,399	0	417,136
Vehicles	307,637	38,060	(66,598)	279,099
Total Capital Assets, Being Depreciated	<u>15,188,930</u>	<u>51,259</u>	<u>(66,598)</u>	<u>15,173,591</u>
Less: Accumulated Depreciation				
Land Improvements	0	(520)	0	(520)
Buildings	(4,456,826)	(402,217)	0	(4,859,043)
Machinery and Equipment	(319,154)	(36,091)	0	(355,245)
Vehicles	(292,247)	(23,002)	66,598	(248,651)
Total Accumulated Depreciation	<u>(5,068,227)</u>	<u>(461,830)</u>	<u>66,598</u>	<u>(5,463,459)</u>
Total Capital Assets, Being Depreciated, Net	<u>10,120,703</u>	<u>(410,571)</u>	<u>0</u>	<u>9,710,132</u>
Governmental Activities Capital Assets, Net	<u>\$11,584,293</u>	<u>(\$410,571)</u>	<u>\$0</u>	<u>\$11,173,722</u>

**NOTE 8 – DEFINED BENEFIT PENSION PLAN**

All employees of SCCS participate in the Ohio Public Employees Retirement System (OPERS), which administers three separate pension plans as described below:

1. The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.
2. The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan members accumulate retirement

**SUMMIT COUNTY CHILDREN SERVICES  
SUMMIT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN (continued)**

assets equal to the value of member and (vested) employer contributions plus any investment earnings.

3. The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to: Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 1-614-222-6705 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and employer contribution rates were consistent across all three plans (TP, MD and CO). Separate divisions for law enforcement and public safety exist only within the Traditional Plan.

Plan members are required to contribute 10.00 percent of their annual covered salary to fund pension benefit obligations. SCCS is required to contribute 14.00 percent. SCCS's contributions to the OPERS for the years ending December 31, 2008, 2007 and 2006 were \$2,819,971, \$2,570,568, and \$2,755,173, respectively. The full amount has been contributed for 2007 and 2006. 97.00 percent has been contributed for 2008.

**NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment coverage.

**SUMMIT COUNTY CHILDREN SERVICES  
SUMMIT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)**

In order to qualify for postretirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio Service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-6601 or 800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, state and local employers contributed at a rate of 14.00% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.00% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

SCCS's contributions to fund post-employment benefits were, for the year ending December 31, 2008, \$1,409,986.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008 which will allow additional funds to be allocated to the health care plan.

**SUMMIT COUNTY CHILDREN SERVICES  
SUMMIT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 10 – COMPENSATED ABSENCES**

Vacation is accumulated at varying rates ranging from two to six weeks per year depending on length of service. Accumulated vacation cannot exceed three times the annual accumulation rate for an employee. Unused vacation is payable upon termination of employment for those employees with 12 months of service. All employees earn sick leave at the rate of 4.6 hours for each 80 hours of work completed. Sick leave credit accumulates without limit. Upon retirement, an employee may be paid for 25 percent of his/her accumulated sick leave credit. Sick leave is paid at a rate equal to the hourly rate at the time of retirement, and may not exceed a total of 240 paid hours. In February, 2001, SCCS approved a retroactive sick leave policy which allowed employees classified as management and confidential to accumulate up to 720 hours. Social Workers, Home Finding Recruiter, and registered nurses can also earn compensatory time up to a maximum of 80 hours. Members of management can earn exchange time up to a maximum of 40 hours. Upon termination of employment with SCCS, Social Workers, Home Finding Recruiter, and registered nurses will be compensated for up to 80 hours of their unused compensatory time, while members of management will be compensated for up to 40 hours of their unused compensatory time. All vacation and compensatory time payments are made at the employee’s wage rate at the time of termination.

The entire compensated absences liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is that amount expected to be paid using expendable available financial resources, and is reported in the general fund. The non-current portion of the liability is not reported.

Changes in compensated absences during 2008 were as follows:

Balance				Balance	Amount Due
<u>1/1/2008</u>	<u>Increases</u>	<u>Decreases</u>		<u>12/31/2008</u>	<u>In One Year</u>
\$2,604,742	\$80,606			\$2,685,348	\$55,556

**NOTE 11 – OTHER EMPLOYEE BENEFITS**

SCCS provides major medical/hospitalization, including dental and vision, coverage for all regular, full-time employees through Medical Mutual of Ohio. These benefits, single and family coverage as applicable, are effective sixty (60) days from the first day of employment for bargaining unit employees or they are effective the first payday after hire for all management and confidential employees. Employees may select from several programs of coverage offered by the county. Prescription drug coverage is included with each health benefit plan. In April, 1996, all full-time employees covered by an insurance plan started paying a portion of the premium through payroll deductions to help defray rising hospitalization costs.



**SUMMIT COUNTY CHILDREN SERVICES  
SUMMIT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 11 – OTHER EMPLOYEE BENEFITS (continued)**

As of April 1, 1993, a cafeteria plan of benefits was offered to management and confidential employees as an alternative to the basic insurance plan. In addition, a flexible spending program was introduced January 1, 2005. Any remaining balance within this plan reverts to SCCS's General Fund at the end of each year.

Life insurance is also provided as a benefit to full-time employees after the first year of employment for bargaining unit employees and the date of hire for management and confidential employees. Additional life insurance may be purchased by eligible employees.

**NOTE 12 – INTER-COUNTY RECEIVABLES/PAYABLES**

As of December 31, 2008, inter-county receivables and payables resulting from unpaid charges for services with other departments of the County of Summit were as follows:

General Fund	Receivable	Payable
Workers' Compensation	\$0	\$305,059
Department of Job and Family Services (PRC)	228,858	0
Summit County	0	118,415
Total	<u>\$228,858</u>	<u>\$423,474</u>

**NOTE 13 – RISK MANAGEMENT**

SCCS maintains insurance for comprehensive auto and blanket risk on all real and personal property including improvements, crime and honesty blanket bond for employees, as well as a public employee blanket bond for the Executive Director. A separate liability policy covers the nurses in SCCS's clinic operations. SCCS currently maintains general professional and liability insurance coverage for employees and volunteers. SCCS also maintains a separate indemnity policy for the Board of Directors. These policies are with private carriers.

SCCS paid \$126,745 as settlement for five claims filed in 2007. There was no liability recorded for claims at the end of 2008.

Settled claims have not exceeded commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

**NOTE 14 – CONTINGENCIES**

SCCS is subject to a litigation/claim matter regarding an adverse ruling by the State Personnel Review Board relative to several job abolishments. The ruling has been appealed to a common pleas court and SCCS intends to vigorously defend its position. As of December 31, 2008 the probability of loss potential estimated at approximately \$1.2 million dollars was not determinable and was accordingly not recorded on the financial statements. SCCS is subject to other claims and litigation as of December 31, 2008, but in the opinion of management, any such claims and

**SUMMIT COUNTY CHILDREN SERVICES  
SUMMIT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 14 – CONTINGENCIES** (continued)

lawsuits will not have a material effect on the overall financial position.

**NOTE 15 – LEASES**

SCCS leases one program support facility (one fourteen month agreement) and two storage facilities (one under a month to month agreement and one under a two-year agreement). The aggregate required monthly lease payments are \$2,747 with annual increases based on the consumer price index.

Lease expense for these facilities in 2008 was approximately \$15,355.

Minimum rental payments required for the lives of these leases are as follows:

<u>Year</u>	<u>Amount</u>
2010	\$8,667

SCCS also has several equipment lease arrangements based upon usage. Total expense on these leases for 2008 was approximately \$77,407.

**NOTE 16 – COMMITMENTS – ADOPTION SUBSIDIES**

As part of the permanency plans for children, adoption is a solution when reunification with the natural birth parents is impossible or not in the best interests of the child. In many cases, the child has emotional and physical problems. If the family meets certain eligibility factors, a subsidy may be provided to assist the family in handling these problems. In addition to state and federal monies being available, SCCS may need to provide additional assistance to the family in the form of a monthly subsidy. At the time of the adoption, an agreement is made with the family to provide assistance until the child reaches 18 years of age. The agreement is reviewed annually to assure continued eligibility.

As of December 31, 2008, SCCS's commitment to adoptive parents was \$3,306,815 for 1,075 children. Of this amount, \$509,348 is payable in 2009. No long-term liability has been recognized in SCCS's financial statements.

**NOTE 17 – RESULTS OF ODJFS AUDIT**

A final audit report conducted by the Ohio Department of Job and Family Services (ODJFS) Bureau of Audit for the period July 2004 through June 2005 was finalized and submitted to the ODJFS Audit Committee. While areas of potential loss were identified, none were for findings for recovery and no liability was recorded for loss at the end of 2008. Recent communication from ODJFS indicates the audit is being closed with no monetary recovery subject to provision of necessary corrective action plans.

**REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Summit County Children Services Board  
264 South Arlington Street  
Akron, OH 44306-1399

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Summit County Children Services Board (SCCS), as of and for the year ended December 31, 2008, which collectively comprise SCCS's basic financial statements and have issued our report thereon dated June 16, 2009. Our report was modified to indicate that the financial statements of SCCS's represents only a portion of Summit County, Ohio activity. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. SCCS's financial statements do not purport to, and do not, present fairly the financial position of Summit County, Ohio, and the changes in its financial position.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered SCCS's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the SCCS's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the SCCS'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 the normal course of 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 SCCS's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the SCCS's financial statements that is more than inconsequential will not be prevented or detected by the SCCS's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the SCCS's internal control.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*** (continued)

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

Compliance and other Matters

As part of obtaining reasonable assurance about whether SCCS's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of SCCS's in a separate letter dated June 16, 2009.

This report is intended solely for the information and use of management, the audit committee, and The Board and is not intended to be and should not be used by anyone other than these specified parties.

*Varney, Fink & Associates*

VARNEY, FINK & ASSOCIATES, INC.  
Certified Public Accountants

June 16, 2009



**Mary Taylor, CPA**  
Auditor of State

**SUMMIT COUNTY CHILDREN SERVICES BOARD**

**SUMMIT 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  
AUGUST 4, 2009**