



Dave Yost • Auditor of State



**FAMILY AND CHILDREN FIRST COUNCIL  
DARKE COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Cover Letter .....	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types - For the Year Ended December 31, 2010.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types - For the Year Ended December 31, 2009.....	6
Notes to the Financial Statements .....	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	11

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# Dave Yost • Auditor of State

Family and Children First Council  
Darke County  
300 Garst Avenue  
Greenville, Ohio 45331

To the Council Members:

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

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**Dave Yost**  
Auditor of State

April 26, 2011

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council  
Darke County  
300 Garst Avenue  
Greenville, Ohio 45331

To the Council Members:

We have audited the accompanying financial statements of the Family and Children First Council, Darke County, (the Council) as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, the Council has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Family and Children First Council, Darke County, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Council has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2011, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

**Dave Yost**  
Auditor of State

April 26, 2011



**FAMILY AND CHILDREN FIRST COUNCIL  
DARKE COUNTY**

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

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$43,862		\$43,862
Local Support	10,100		10,100
Total Cash Receipts	<u>53,962</u>		<u>53,962</u>
<b>Cash Disbursements:</b>			
Current:			
Contracts - Services	63,019		63,019
Other	330		330
Total Cash Disbursements	<u>63,349</u>		<u>63,349</u>
Total Receipts Over/(Under) Disbursements	<u>(9,387)</u>		<u>(9,387)</u>
Fund Cash Balances, January 1	<u>108,210</u>	<u>\$16,742</u>	<u>124,952</u>
Fund Cash Balances, December 31	<u><u>\$98,823</u></u>	<u><u>\$16,742</u></u>	<u><u>\$115,565</u></u>
Reserve for Encumbrances, December 31	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
DARKE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$40,757		\$40,757
Local Support	23,457		23,457
Miscellaneous		\$13,973	13,973
Total Cash Receipts	<u>64,214</u>	<u>13,973</u>	<u>78,187</u>
<b>Cash Disbursements:</b>			
Current:			
Contracts - Services	51,587		51,587
Other	2,883	5,170	8,053
Total Cash Disbursements	<u>54,470</u>	<u>5,170</u>	<u>59,640</u>
Total Receipts Over/(Under) Disbursements	<u>9,744</u>	<u>8,803</u>	<u>18,547</u>
Fund Cash Balances, January 1	<u>98,466</u>	<u>7,939</u>	<u>106,405</u>
Fund Cash Balances, December 31	<u>\$108,210</u>	<u>\$16,742</u>	<u>\$124,952</u>
Reserve for Encumbrances, December 31	<u>\$2,500</u>	<u>\$0</u>	<u>\$2,500</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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

- a. The director of the board of alcohol, drug addiction, and mental health services that serves the county, or, in the case of a county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards;
- b. The health commissioner of the board of health of each city or general health district in the county, or their designees;
- c. The director of the county department of jobs and family services;
- d. The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code;
- e. The superintendent of the county board of mental retardation and developmental disabilities;
- f. The county's juvenile court judge senior in service or their designee;
- g. The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each county of its determination at least biennially;
- h. A school superintendent representing all other school districts with territory in the county, as designated at a biennial meeting of the superintendents of those districts;
- i. A representative of the largest city in the county;
- j. The chair of the board of county commissioners, or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county's head start agencies, as defined in section 3301.31 of the Revised Code;
- m. A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "Education of the Handicapped Act Amendments of 1986";
- n. At least three individuals representing the interests of families in the county. Where possible, the number of members representing families shall be equal to twenty percent of the council's remaining membership.

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

**FAMILY AND CHILDREN FIRST COUNCIL  
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

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

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 county wide, comprehensive, coordinated, multi-disciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the department of health for early intervention services under the "Education of the Handicapped Act Amendments of 1986";
- e. Maintain an accountability system to monitor the council's progress in achieving its purposes;
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

**Council**

The Family and Children First Council of Darke County was officially recognized as established by the Governor on October 27, 1995.

**B. Basis of Accounting**

The Council prepares its financial statements on a basis of cash receipts and disbursements, consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligation is incurred. Assets and liabilities are not recorded on the financial statements of the Council under the basis of accounting used.

**C. Cash**

The Darke County Treasurer is responsible for the investment of Council funds. All interest earned is paid into the General Fund of the County as per State law.

**D. Fund Accounting**

The Council maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

**1. General Fund**

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund. The general fund had the following significant sources of funding:

**FAMILY AND CHILDREN FIRST COUNCIL  
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

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

**Intergovernmental Receipts** - Funds received from the Coordinator's Grant to be used to support a portion of the cost required to maintain the position of Service Coordinator.

**Local Agency Contributions** – funds received from contributions made by local agencies of Darke and Miami Counties to support the position of Service Coordinator and for various administrative costs.

**2. Special Revenue Funds**

These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or capital projects) that are legally restricted to disbursements for specified purposes. The Council has the following significant Special Revenue Fund:

**Family and Children First Initiative Fund** – This fund receives grant money to be used to support the goal of managing out of home placements, responsibly the Family and Children First Council has established a pool of discretionary funds that may be used to support services or activities that will keep families united.

**E. Property, Plant, and Equipment**

The acquisitions of property, plant, and equipment are recorded as disbursements when paid and are not reflected as assets on the accompanying financial statements. During 2010 and 2009, the Council did not purchase any property, plant, or equipment.

**F. Fiscal Agent**

Darke County serves as fiscal agent for the Council. Council funds are maintained in separate agency funds on the accounting system of the County.

**G. Total Columns on Financial Statements**

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund type eliminations have not been made in the aggregation of this data.

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

The Darke County Treasurer maintains a cash and investments pool used by all of Darke County's funds, including those of the Family and Children First Council. The Ohio Revised Code prescribes allowable deposits and investments.

The carrying amount of cash and investments at December 31 was as follows:

	<u>2010</u>	<u>2009</u>
Cash with Fiscal Agent	<u>\$115,565</u>	<u>\$124,952</u>

**Deposits:**

Deposits are insured by the Federal Depository Insurance Corporation.

**FAMILY AND CHILDREN FIRST COUNCIL  
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**3. CONTINGENT LIABILITIES**

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

**4. GRANT FUNDS BEING INCLUDED ON COUNTY FEDERAL SCHEDULE**

The Help Me Grow Grant funding received by the Family and Children First Council for 2009 and 2010 are not reflected in the accompanying financial statements due to the fact they are reflected on the Darke County Federal Financial Assistance schedule and financial statements.



# Dave Yost • Auditor of State

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

Family and Children First Council  
Darke County  
300 Garst Avenue  
Greenville, Ohio 45331

To the Council Members:

We have audited the financial statements of Family and Children First Council, Darke County, (the Council) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated April 26, 2011 wherein we noted the Council followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

We did note certain matters not requiring inclusion in this report that we reported to the Council's management in a separate letter dated April 26, 2011.

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

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**Dave Yost**  
Auditor of State

April 26, 2011





# Dave Yost • Auditor of State

**DARKE COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**DARKE 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  
JUNE 9, 2011**