



**Mary Taylor, CPA**  
Auditor of State



**ADAMS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
ADAMS COUNTY**

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**Mary Taylor, CPA**  
Auditor of State

Adams County Family and Children First Council  
Adams County  
482 Rice Drive  
West Union, Ohio 45693

To the Council:

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 government 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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**Mary Taylor, CPA**  
Auditor of State

December 28, 2007

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Adams County Family and Children First Council  
Adams County  
482 Rice Drive  
West Union, Ohio 45693

To the Council:

We have audited the accompanying financial statements Adams County Family and Children First Council, Adams County, Ohio (the Council), as of and for the years ended December 31, 2006 and 2005. 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 requires 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 Council 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, 2006 and 2005 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, 2006 and 2005.

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 the Adams County Family and Children First Council, Adams County, as of December 31, 2006 and 2005, and its combined cash receipts, disbursements, and encumbrances for the years then ended on the accounting basis Note 1 describes.

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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 December 28, 2007, 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 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 "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

December 28, 2007



**ADAMS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
ADAMS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Intergovernmental Receipts	\$20,000	\$112,554	\$132,554
Other Revenue		1,800	1,800
Total Cash Receipts	<u>20,000</u>	<u>114,354</u>	<u>134,354</u>
<b>Cash Disbursements:</b>			
Salaries and Benefits	18,742	6,774	25,516
Travel and Expenses		576	576
Contract Services		79,120	79,120
Direct Services		6,142	6,142
Project Expenses		454	454
Administrative Expenses			0
Other Expenses		3,400	3,400
Total Cash Disbursements	<u>18,742</u>	<u>96,466</u>	<u>115,208</u>
Total Cash Receipts Over Cash Disbursements	<u>1,258</u>	<u>17,888</u>	<u>19,146</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Advances-In - From County	0	7,000	7,000
Advances-Out - To County		(14,125)	(14,125)
Reimbursement		606	606
Total Other Financing Receipts/(Disbursements)	<u>0</u>	<u>(6,519)</u>	<u>(6,519)</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	1,258	11,369	12,627
Fund Cash Balances, January 1 - See Note 2	<u>23,697</u>	<u>63,105</u>	<u>86,802</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$24,955</u></b>	<b><u>\$74,474</u></b>	<b><u>\$99,429</u></b>
<b>Reserve for Encumbrances</b>	<b><u>\$0</u></b>	<b><u>\$19,314</u></b>	<b><u>\$19,314</u></b>

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

**ADAMS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
ADAMS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Intergovernmental Receipts	\$20,000	\$115,283	\$135,283
Total Cash Receipts	<u>20,000</u>	<u>115,283</u>	<u>135,283</u>
<b>Cash Disbursements:</b>			
Salaries and Benefits	19,073	4,687	23,760
Travel and Expenses		405	405
Contract Services		80,375	80,375
Direct Services		595	595
Project Expenses		8,340	8,340
Administrative Expenses		848	848
Other Expenses	146	4,114	4,260
Total Cash Disbursements	<u>19,219</u>	<u>99,364</u>	<u>118,583</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>781</u>	<u>15,919</u>	<u>16,700</u>
<b>Other Financing Receipts:</b>			
Advances-In - From County	0	7,125	7,125
Total Other Financing Receipts	<u>0</u>	<u>7,125</u>	<u>7,125</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	781	23,044	23,825
 Fund Cash Balances, January 1 - See Note 2	<u>22,916</u>	<u>40,061</u>	<u>62,977</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$23,697</b></u>	<u><b>\$63,105</b></u>	<u><b>\$86,802</b></u>
<b>Reserve for Encumbrances</b>	<u><b>\$0</b></u>	<u><b>\$13,550</b></u>	<u><b>\$13,550</b></u>

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

**ADAMS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
ADAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Ohio Revised Code, Section 121.37, created the Ohio Family and Children First Cabinet Council and 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 ADAMH board. For counties served by a joint ADAMH board, the joint board's director must designate a member to participate on the county's council.
- b. A representative from each city board of health and general health district in the county. If there are more than two health districts, then the membership is limited to the commissioners of the two districts with the largest populations.
- c. The director of the county department of human services.
- d. The executive director of the county children's services board.
- e. The superintendent of the county board of mental retardation and developmental disabilities.
- f. The administrative or the judge senior in service in his designee for the county's juvenile court.
- g. The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the county.
- h. A school superintendent representing all other school districts with territory in the county as designated at a biennial meeting of the superintendents of those districts.
- i. A representative of the municipal corporation with the largest population in the county.
- j. The chair of the board of county commissioners, or designee.
- k. A representative of the regional office of the department of youth services.
- l. A representative of the county's head start agencies.
- m. A representative of the county's early intervention collaborative.
- n. At least three individuals whose families are receiving or have received services from an agency which is represented on council. If possible, 20% of the council's membership should consist of members representing families.
- o. The director of the community mental health board.
- p. A representative of the local nonprofit entity that funds, advocates, or provides services to children and families.

**ADAMS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
ADAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

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

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

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. Make periodic reports to the cabinet council regarding the number of children referred to the county council and the progress made in meeting the needs of each child;
- c. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invents new approaches to achieve better results for families and children;
- d. Participate in the development of a country-wide comprehensive, coordinated, multidisciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the department of health for early intervention services under the Education of the Handicapped Act Amendments of 1986;
- e. Maintain an accountability system to monitor the council's progress in achieving its purposes; and,
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services with the county system.

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Council recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. The Reserve for Encumbrances on the financial statement represents the Council's commitments for purchases. The Council recognizes encumbrances when it commits funds.

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

**C. Fund Accounting**

The Council uses fund accounting to segregate cash deposits that are restricted as to use. The Council classifies its funds into the following types:

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**ADAMS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
ADAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

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

**2. Special Revenue Funds**

This fund type is used to account for proceeds from specific sources that are restricted from specific sources that are restricted to expenditure for specific purposes.

**D. Fiscal agent**

The Adams County Auditor serves as the Council's fiscal agent. The Adams County Department of Jobs and Family Services serves as the Council's administrative agent. The administrative agent provides a program coordinator to oversee the various programs under the Family and Children First Council.

**E. Service Coordinator**

The purpose of the Council is to identify ways in which the Child Servicing System can provide services to the community in the most efficient and effective manner. A Service Coordinator has been hired to coordinate all Family and Children First programs. This employee contributes to the Public Employees Retirement System which is described in Note 3.

**F. Property, Plant, and Equipment**

The Council records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**G. Budgetary Process**

The council files and annual budget of estimated expenditures with Adams' County Department of Jobs and Family Services as required by state law.

**2. EQUITY IN POOLED CASH**

The Adams County Treasurer maintains a cash pool of all County funds, including those of Council. The Ohio Revised Code prescribes allowable deposits and investments; and the County is responsible for meeting compliance requirements.. The Council's carrying amount of cash on deposit with the Adams County Treasurer as of December 31 2006 and 2005 was \$99,429 and \$86,802 respectively.

**3. RETIREMENT SYSTEMS**

The Service Coordinator belongs to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plans' benefits, which includes postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, OPERS members contributed 9 and 8.5%, respectively, of their gross salaries and the Council contributed an amount equaling 13.7 and 13.55%, respectively, of participants' gross salaries. The Council has paid all contributions required through December 31, 2006.

**ADAMS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
ADAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**4. RECEIPT AND RETURN OF ADVANCES TO ADAMS COUNTY**

During 2006, \$7,125 was returned to the Adams County's General Fund for an advance received in 2005 for administrative purposes, prior to the Council receiving Children's Trust funding. Also, in 2006 the Council received and repaid an advance in the amount of \$7,000 from Adams County's General Fund into the Council's Special Revenue Family and System Team Dollars (FAST) fund.

**5. RISK MANAGEMENT**

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



# Mary Taylor, CPA

## Auditor of State

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

Adams County Family and Children First Council  
Adams County  
482 Rice Drive  
West Union, Ohio 45693

To the Council:

We have audited the financial statements of the Adams County Family and Children First Council, Adams County, Ohio (the Council), as of and for the year ended December 31, 2006 and 2005, and have issued our report thereon dated December 28, 2007, 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 expressing our opinion on the financial statements, but not to opine on the effectiveness of the Council's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Council's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Council's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. We noted a certain matter that we reported to the Council's management in a separate letter dated December 28, 2007.

### **Compliance and Other Matters**

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

We intend this report solely for the information and use of management and the Council. It is not intended for anyone other than these specified parties.

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**Mary Taylor, CPA**  
Auditor of State

December 28, 2007





**Mary Taylor, CPA**  
Auditor of State

**ADAMS COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**ADAMS 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  
JANUARY 31, 2008**