



Dave Yost • Auditor of State



**CARROLL COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CARROLL COUNTY**

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# Dave Yost • Auditor of State

Carroll County Family and Children First Council  
Carroll County  
PO Box 183  
Carrollton, Ohio 44615

To the Family and Children First 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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**Dave Yost**  
Auditor of State

August 2, 2011

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Carroll County Family and Children First Council  
Carroll County  
PO Box 183  
Carrollton, Ohio 44615

To the Family and Children First Council:

We have audited the accompanying financial statements of Carroll County Family and Children First Council, Carroll 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 Carroll County Family and Children First Council, Carroll 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 August 2, 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 "D" and "Y".

**Dave Yost**  
Auditor of State

August 2, 2011



**CARROLL COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CARROLL COUNTY**

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

	<u>All Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Private Purpose Trust</u>	
<b>Cash Receipts:</b>				
State Subsidy/Grants		\$34,931		\$34,931
Contractual Charges for Services		53,369		53,369
Memberships	\$10,000			10,000
Miscellaneous	898			898
<b>Total Cash Receipts</b>	<u>10,898</u>	<u>88,300</u>		<u>99,198</u>
<b>Cash Disbursements:</b>				
Salaries	7,887	37,388		45,275
Fringe Benefits	2,637	8,223		10,860
Supplies	426	622		1,048
Equipment		450		450
Contract Services	19,900	45,589		65,489
Facilities	144	1,565		1,709
Travel/Training	31	3,480		3,511
Other Expenses	53	80		133
<b>Total Cash Disbursements</b>	<u>31,078</u>	<u>97,397</u>		<u>128,475</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(20,180)</u>	<u>(9,097)</u>		<u>(29,277)</u>
Fund Cash Balances, January 1	<u>44,838</u>	<u>32,450</u>	<u>\$5,082</u>	<u>82,370</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$24,658</b></u>	<u><b>\$23,353</b></u>	<u><b>\$5,082</b></u>	<u><b>\$53,093</b></u>
Reserve for Encumbrances, December 31	<u>\$1,647</u>	<u>\$1,388</u>		<u>\$3,035</u>

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

**CARROLL COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CARROLL COUNTY**

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

	<u>All Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Private Purpose Trust</u>	
<b>Cash Receipts:</b>				
State Subsidy/Grants	\$16,257	\$41,610		\$57,867
Contractual Charges for Services	3,707	41,988		45,695
Miscellaneous	557			557
	<u>20,521</u>	<u>83,598</u>		<u>104,119</u>
<b>Total Cash Receipts</b>				
	<u>20,521</u>	<u>83,598</u>		<u>104,119</u>
<b>Cash Disbursements:</b>				
Salaries	16,959	62,750		79,709
Supplies	409	9,818		10,227
Contract Services		24,284		24,284
Facilities	1,256	7,434		8,690
Travel/Training	55	496		551
Other Expenses	1,194			1,194
PERS	1,172	6,085		7,257
Workers Compensation	55	1,583		1,638
Mandatory Medicare	115	637		752
Health Insurance	140	5,233		5,373
	<u>21,355</u>	<u>118,320</u>		<u>139,675</u>
<b>Total Cash Disbursements</b>				
	<u>21,355</u>	<u>118,320</u>		<u>139,675</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(834)</u>	<u>(34,722)</u>		<u>(35,556)</u>
<b>Other Financing Receipts / (Disbursements):</b>				
Other Financing Sources	39,253			39,253
Other Financing Uses		(39,253)		(39,253)
	<u>39,253</u>	<u>(39,253)</u>		<u>0</u>
<b>Total Other Financing Receipts / (Disbursements)</b>				
	<u>39,253</u>	<u>(39,253)</u>		<u>0</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements</b>	<u>38,419</u>	<u>(73,975)</u>		<u>(35,556)</u>
<b>Fund Cash Balances, January 1</b>	<u>6,419</u>	<u>106,425</u>	<u>\$5,082</u>	<u>117,926</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$44,838</b></u>	<u><b>\$32,450</b></u>	<u><b>\$5,082</b></u>	<u><b>\$82,370</b></u>

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

**CARROLL COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CARROLL COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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

- a. 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 Council in the county, or their designees;
- c. The director of the county department of job 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;
- 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 interest of families in the county. Where possible, the number of members representing families shall be equal to twenty percent of the council's remaining membership.

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

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. Make periodic reports to the cabinet council regarding the number of children referred to the county council and the progress made in meeting the needs of each child.
- c. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invents new approaches to achieve better results for families and children.

**CARROLL COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CARROLL COUNTY**

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

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

- d. Participate in the development of a county 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;
- f. Establish a mechanism to ensure ongoing input from a broad presentation of families who are receiving services within the county system.

The Carroll County Family and Children First Council was organized with the statutory membership on October 1, 1996. The Council's management believes these financial statements present all activities for which the Council is financially accountable.

**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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Deposits and Investments**

As required by the Ohio Revised Code, the Council's cash is held and invested by the Carroll County Treasurer who acts as the custodian for Council monies. No investments were held by the Council during the current audit period.

**D. Fund Accounting**

The Council uses fund accounting to segregate cash and investments 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.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The grants included in the Special Revenue Funds are

**CARROLL COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CARROLL COUNTY**

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

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

Employment Preparation Program (EPP), ABLE, Training & Quality Control, Youth Employment, Children's Trust Funding, TANF Service Coordination, Children's Cluster, WIA Youth Program, Partnership for Success, Family Centered Services Support, and Non-Behavioral Funding.

**3. Private Purpose Trust Funds**

Private purpose trust funds account for assets held under an agreement for individuals, private organizations, or other governments which are not available to support the Council's own programs.

The Council's private purpose trust fund is to pay the unemployment compensation of prior employees.

**E. Budgetary Process**

The Ohio Revised Code requires that Council file an annual budget with its administrative agent (Carroll County Department of Human Services), with copies filed with the county auditor and with the board of county commissioners, unless the board is serving as the Council's administrative agent. The Council's administrative agent is to ensure that all expenditures are handled in accordance with policies, procedures, and activities prescribed by State departments in rules or interagency agreements that are applicable to the Council's functions.

The Ohio Revised Code does not require the Council to adopt itemized budgets for the government activities, thus no budgetary statements are presented as part of the financial statements.

**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. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. RESTATEMENT OF BEGINNING FUND BALANCE**

For fiscal year 2009, the Council has restated the beginning fund balances of its Special Revenue Funds to include the Children's Cluster Fund, a special revenue fund that was not included in the fund balances reported at December 31, 2008. The fund adjustment had the following effect on the combined special revenue fund balance:

	Special Revenue Funds
January 1, 2009 Fund Balance	\$94,426
Fund balance adjustment	<u>11,999</u>
Restated January 1, 2009 Fund Balance	<u>\$106,425</u>

**CARROLL COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CARROLL COUNTY**

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

**3. EQUITY IN POOLED DEPOSITS**

The Carroll County Treasurer maintains a cash pool used by all the county's funds, including those of the Carroll County Family and Children First Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the County at December 31, 2010 was \$53,093 and December 31, 2009 was \$82,370. The Carroll County Auditor and Carroll County Treasurer, as the ultimate fiscal agents for the Council, are responsible for maintaining adequate depository collateral for all funds in Carroll County's pooled and deposit accounts. County funds on deposit as of December 31, 2010 and 2009 were fully collateralized as defined under Section 135.37, Ohio Revised Code.

**4. RETIREMENT SYSTEM**

Council employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10% of their gross salaries and the Council contributed an amount equaling 14% of participants' gross salaries. The Council has paid all contributions required through December 31, 2010.



# 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*

Carroll County Family and Children First Council  
Carroll County  
PO Box 183  
Carrollton, Ohio 44615

To the Family and Children First Council:

We have audited the financial statements of the Carroll County Family and Children First Council, Carroll County, (the Council) as of and for the years ended December 31, 2010 and 2009 and have issued our report thereon dated August 2, 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings, we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2010-001 described in the accompanying schedule of findings to be a material weakness.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 August 2, 2011.

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

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

**Dave Yost**  
Auditor of State

August 2, 2011



**CARROLL COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CARROLL COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2010 AND 2009**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2010-01**

**Material Weakness**

**Proper Classification of Receipts and Disbursements**

The Council did not correctly post some receipts and disbursements in 2009, resulting in adjustments to the financial statements. The Council has agreed to the adjustments and the Fiscal Officer has agreed to post the adjustments to the Council's ledgers. The corrected amounts are reflected in the accompanying financial statements.

Fund Name	Account Type	Amount	Description
Children's Cluster	Beginning cash balance	\$11,999	Not posted on the financial statements.
	Contract service disbursements	\$6,990	
Family Centered Support Services	State subsidy receipts	\$6,500	Misposted to General Fund.
Family Centered Support Services	Salary disbursements	\$324	Misposted to General Fund.
Help Me Grow S025	State subsidy receipts Contract service disbursements	\$83,718	Should not be on the financial statements. Not a program for this client.
Help Me Grow T067	State subsidy receipts Contract service disbursements	\$39,762	Should not be on the financial statements. Not a program for this client.

Failure to consistently follow a uniform chart of accounts increases the possibility that the Council will not be able to identify, assemble, analyze, classify, record, and report its transactions correctly or to document compliance with finance-related legal and contractual requirements. The Fiscal Officer should maintain the accounting system to enable the Council to identify, assemble, analyze, classify, record, and report all transactions and to maintain accountability. All transactions should be properly coded and classified according to the chart of accounts to help ensure that financial activity of the Council is accurately recorded and reported.

**Officials' Response:**

We did not receive a response from officials to this finding.

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**CARROLL COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CARROLL COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2010 AND 2009**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain</b></i>
2008-001	Ohio Administrative Code 117-2-02(A) The Council had not established an adequate accounting system.	Yes	Corrected.

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# Dave Yost • Auditor of State

**CARROLL COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**CARROLL 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  
OCTOBER 11, 2011**