



## **Balestra, Harr & Scherer, CPAs, Inc.**

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

[www.bhscpas.com](http://www.bhscpas.com)

Family and Children First Council

Meigs County, Ohio

Regular Audit

January 1, 2009 through December 31, 2010

Years Audited Under GAGAS: 2010 and 2009

bhs

Circleville

Ironton

Piketon

Wheelersburg

Worthington





# Dave Yost • Auditor of State

Board Members  
Family and Children First Council  
175 Race Street  
Middleport, Ohio 45760

We have reviewed the *Independent Auditor's Report* of the Family and Children First Council, Meigs County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2009 through December 31, 2010. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Family and Children First Council is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

November 2, 2011

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**Family and Children First Council**  
**Meigs County, Ohio**  
*Table of Contents*  
*For the Years Ended December 31, 2010 and 2009*

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<u>TITLE</u>	<u>PAGE</u>
Independent Auditor's Report .....	1 - 2
Combined Statement Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – December 31, 2010 .....	3
Combined Statement Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – December 31, 2009 .....	4
Notes to the Financial Statements.....	5 - 8
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	9-10

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# Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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## Independent Auditor's Report

Board Members  
Family and Children First Council  
Meigs County, Ohio  
175 Race Street  
Middleport, Ohio 45760

We have audited the accompanying financial statements of the Family and Children First Council, Meigs County, Ohio, (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 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 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 Governments 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.

Board Members  
Family and Children First Council  
Meigs County, Ohio  
Independent Auditor's Report  
Page 2

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Council, as of the 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 31, 2011, on our consideration of the Council's internal control over financial reporting and on 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.



Balestra, Harr & Scherer, CPAs, Inc.  
August 31, 2011



**FAMILY AND CHILDREN FIRST COUNCIL  
MEIGS 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$ 42,472	\$ 306,117	\$ 348,589
Total Cash Receipts	<u>42,472</u>	<u>306,117</u>	<u>348,589</u>
<b>Cash Disbursements:</b>			
Current:			
Audit	3,840	-	3,840
Contractual - Client services	58,946	256,906	315,852
Miscellaneous	118	-	118
Total Cash Disbursements	<u>62,904</u>	<u>256,906</u>	<u>319,810</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(20,432)	49,211	28,779
Fund Cash Balances, January 1	<u>43,485</u>	<u>38,966</u>	<u>82,451</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 23,053</u></b>	<b><u>\$ 88,177</u></b>	<b><u>\$ 111,230</u></b>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
MEIGS 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$ 55,466	\$ 323,781	\$ 379,247
Total Cash Receipts	<u>55,466</u>	<u>323,781</u>	<u>379,247</u>
<b>Cash Disbursements:</b>			
Current:			
Contractual - Client services	47,610	384,950	432,560
Miscellaneous	153	-	153
Total Cash Disbursements	<u>47,763</u>	<u>384,950</u>	<u>432,713</u>
Total Cash Receipts Over/(Under) Cash Disbursements	7,703	(61,169)	(53,466)
Fund Cash Balances, January 1	<u>35,782</u>	<u>100,135</u>	<u>135,917</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$ 43,485</b></u>	<u><b>\$ 38,966</b></u>	<u><b>\$ 82,451</b></u>

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

**Family and Children First Council**  
**Meigs County, Ohio**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2010 and 2009*

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**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 the Board of County Commissioners in each county to establish County Family and Children First Councils. A Board of County Commissioners 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 its County Council. Each County Council must include the following individuals:

1. At least three individuals whose families are or have received services from an agency which is represented on the Council or another County's Council. Where possible, the number of members representing families shall be equal to twenty percent of the Council's membership;
2. The Director of the Board of Alcohol, Drug Addiction, and Mental Health Services (ADAMH) that serves the County, or, in the case of a County that has an ADAMH Board and a Community Mental Health Board, the Directors of both Boards. If the ADAMH Board covers more than one County, the Director may designate a person to participate on the County's Council;
3. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each city and general health district in the County. If the County has more than two health districts, the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
4. The Director of the County Department of Job and Family Services;
5. The Executive Director of the county agency responsible for the administration of children's services pursuant to Ohio Revised Code Section 5153.15;
6. The Superintendent of the County Board of Mental Retardation and Developmental Disabilities;
7. The County's Juvenile Court Judge senior in service or another judge of the Juvenile Court designated by the Administrative Judge or, where there is no Administrative Judge, by the Judge senior in service;
8. The superintendent of the city, exempted village, or local school district with the largest numbers of pupils residing in the County, as determined by the Ohio Department of Education at least biennially;
9. 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;
10. A representative of the municipal corporation with the largest population in the County;
11. The President of the Board of County Commissioners, or an individual designated by the Board;
12. A representative from the regional office of the Ohio Department of Youth Services;
13. A representative of the County's Head Start Agencies, as defined in Ohio Revised Code Section 3301.31;
14. 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 of 1986"; and,
15. A representative of a local nonprofit entity that funds, advocates or provides services to children and families.

**Family and Children First Council**  
**Meigs County, Ohio**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2010 and 2009*

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

A. Description of the Entity (Continued)

A County Council's statutory responsibilities include the following:

1. Refer to the Cabinet Council those children for whom the Council cannot provide adequate services;
2. Develop and implement a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;
3. Participate in the development of a countywide, 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";
4. Maintain an accountability system to monitor the Council's progress in achieving results for families and children; and,
5. Establish a mechanism to ensure ongoing input from a broad representative of families who are receiving services within the County system.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary disclosures in Note 4 show budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. 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

*Administrative Fund* – This fund is used to account for state grant funds to be used for parental involvement, administrative support, or training.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Council had the following significant Special Revenue Fund:

*Help Me Grow Grant Fund* – This fund is used to account for federal and state grant funds to be used for families and children ages birth to three years and pregnant women who are at risk for abuse, neglect, or developmental delay.

**Family and Children First Council**  
**Meigs County, Ohio**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2010 and 2009*

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

D. Fiscal and Administrative Agents

The Meigs County Auditor serves as the fiscal agent for the Council. The Meigs County Department of Job and Family Services serves as the administrative agent for the Council.

E. Budgetary Process

The Council is required by law to file an annual estimate of expenditures and revenue with Meigs County. This estimate is to be adopted by the Council and the Meigs County Commissioners. The Council and County Commissioners ensure that the Council's expenditures do not exceed appropriations. A summary of budgetary activity is provided in Note 3.

**2. POOLED CASH**

The Council's cash is maintained by the Meigs County Auditor, its fiscal agent. The Ohio Revised Code prescribes allowable deposits and investments and the Council is responsible for compliance. As of December 31, 2010 and 2009, the Council's share of Meigs County's cash and investment pool was as follows:

	<u>2010</u>	<u>2009</u>
Demand Deposits	<u>\$111,230</u>	<u>\$82,451</u>

All risks associated with such deposits are the responsibility of the County.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$42,472	\$42,472	\$0
Special Revenue	306,117	306,117	0
Total	\$348,589	\$348,589	\$0

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$65,000	\$62,904	\$2,096
Special Revenue	316,681	256,906	59,775
Total	\$381,681	\$319,810	\$61,871

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$55,466	\$55,466	\$0
Special Revenue	323,781	323,781	0
Total	\$379,247	\$379,247	\$0

**Family and Children First Council**  
**Meigs County, Ohio**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2010 and 2009*

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**3. BUDGETARY ACTIVITY (CONTINUED)**

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$65,000	\$47,763	\$ 17,237
Special Revenue	411,625	384,950	26,675
Total	\$476,625	\$432,713	\$43,912

**4. RISK MANAGEMENT**

The Council is insured through the Meigs County Commissioners for the following risks:

- Comprehensive property and general liability;
- Valuable papers and records; and
- Errors and omissions.

Coverage has not changed significantly from the prior year. Settled claims have not exceeded coverage in any of the past three years.

**5. CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the Council are subject to audit and adjustment. Grantors may require the Council to refund any disallowed costs. Management cannot presently determine amounts which may be disallowed. However, based on prior experience, management believes any refunds would be immaterial.



# Balestra, Harr & Scherer, CPAs, Inc.

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## Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Board Members  
Family and Children First Council  
Meigs County  
175 Race Street  
Middleport, Ohio 45760

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

Board Members  
Family and Children First Council  
Meigs County  
Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Required by *Government Auditing Standards*  
Page 2

### **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, the Board Members, and others within the Council. We intend it for no one other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.  
August 31, 2011





# Dave Yost • Auditor of State

**FAMILY AND CHILDREN FIRST COUNCIL**

**MEIGS 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  
NOVEMBER 15, 2011**