



**FAMILY AND CHILDREN FIRST COUNCIL
MONTGOMERY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FAMILY AND CHILDREN FIRST COUNCIL
MONTGOMERY COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Family and Children First Council
Montgomery County
451 West Third Street
Dayton, Ohio 45422

To the Members of Council:

We have audited the accompanying financial statements of the Family and Children First Council, Montgomery County, (the Council), as of and for the years ended December 31, 2001 and 2000. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, the Council prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Montgomery County Family and Children First Council, as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the Resource Management Committee, management, Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 18, 2002

**FAMILY AND CHILDREN FIRST COUNCIL
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$432,000	\$968,000	\$1,400,000
Contributions	79,500		79,500
Miscellaneous	21,243		21,243
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	532,743	968,000	1,500,743
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Personal Services	241,224		241,224
Fringe Benefits	61,830		61,830
Supplies and Materials	8,502		8,502
Professional Services	31,251		31,251
Contractual Services		518,883	518,883
Intergovernmental Disbursements		449,002	449,002
Capital Outlay	28,492		28,492
Miscellaneous	9,549		9,549
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	380,848	967,885	1,348,733
	<hr/>	<hr/>	<hr/>
Total Receipts Over Disbursements	151,895	115	152,010
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1, 2001	797,891	755,449	1,553,340
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31, 2001	<u>\$949,786</u>	<u>\$755,564</u>	<u>\$1,705,350</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$432,000	\$1,134,746	\$1,566,746
Contributions	106,000		106,000
Miscellaneous	40,749		40,749
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	578,749	1,134,746	1,713,495
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Personal Services	228,619		228,619
Fringe Benefits	50,031		50,031
Supplies and Materials	10,641		10,641
Professional Services	32,017		32,017
Contractual Services		680,080	680,080
Intergovernmental Disbursements		218,310	218,310
Capital Outlay	35,415		35,415
Miscellaneous	12,850		12,850
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	369,573	898,390	1,267,963
	<hr/>	<hr/>	<hr/>
Total Receipts Over Disbursements	209,176	236,356	445,532
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1, 2000	588,715	519,093	1,107,808
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31, 2000	<u>\$797,891</u>	<u>\$755,449</u>	<u>\$1,553,340</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

1. DESCRIPTION OF THE ENTITY

Section 121.37, Revised Code, 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. At least three individuals whose families are or have received services from an agency which is represented on the council. If possible, twenty per cent of the council's membership should consist of members representing families;
- b. The director of the community mental health board;
- c. The director of the county 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;
- d. 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;
- e. The director of the county department of human services;
- f. The executive director of the county children's services board;
- g. The superintendent for the county board of MRDD;
- h. The administrative or the judge senior in service or his designee for the county's juvenile court;
- i. The superintendent of the city, exempted village, or local school district with the largest numbers of pupils residing in the county;
- j. The school superintendent representing all other school districts within the territory in the county, as designated at a biennial meeting of the superintendents of those districts;
- k. A representative of the municipal corporation with the largest population in the county;
- l. The chair of the board of county commissioners or a designee;
- m. A representative from the regional office of the Ohio Department of Youth Services;
- n. A representative of the county's head start agencies;
- o. A representative of the county's early intervention collaborative;
- p. A representative of the local nonprofit entity that funds, advocates or provide services to children and families.

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
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000
(Continued)**

1. DESCRIPTION OF THE ENTITY (Continued)

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council for 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 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";
- 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

These financial statements were prepared on the cash basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred.

B. 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 are reflected in a self-balancing group of accounts. The Council classifies its funds into the following types:

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 restricted. During the periods ended December 31, 2001 and 2000, the General Fund had the following significant source of funding:

Intergovernmental Receipts - Funds received from the administrative portion of the County's Human Services Levy.

**FAMILY AND CHILDREN FIRST COUNCIL
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 maintains a separate special revenue fund for each program which is awarded to the Council that is either entirely or partially funded from federal or state sources. During 2001 and 2000, the Ohio Wellness Block Grant (State Grant), Welcome Home Grant (State Grant), Help Me Grow Grant (State Grant), and Ohio Early Start Grant (State Grant) were awarded to the Council.

C. Fiscal Agent

The Board of County Commissioners is the administrative agent for the entity's grants, while the Montgomery County Auditor's office is the fiscal agent. During 2001 and 2000, the following grants were received, of which the County Auditor was the designated fiscal agent: Human Services Levy (administrative portion), Wellness Grant, Early Start Grant, Welcome Home Grant, and Help Me Grow Grant.

D. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid and are not reflected as assets on the accompanying financial statements. During 2001 and 2000, the Council made capital purchases of \$3,715 and \$12,563 respectively.

E. Council Administrator

Council employs an administrator to manage the activities of the Council on a day to day basis. The salaries of these employees are processed by the Montgomery County Auditor's payroll system. Funds used to pay the salaries are derived from the Human Services Levy (administrative portion), and local agency contributions received by the Council. The County issues an IRS form W-2 to these employees at year end.

F. Grant Subrecipients

During fiscal years 2001 and 2000, the Council was awarded multiple grants, of which were passed through to other entities. The Council passed the Early Start and Help Me Grow Grants on to a subrecipient, the Montgomery County Educational Service Center. The Council passed the Welcome Home Grant on to the Montgomery County Combined Health District. These grants are presented as Intergovernmental Receipts and Intergovernmental Disbursements on the Council's financial statement to reflect the pass-through of this money.

Other grants are received of which contracts are signed for the entities to provide services to receive the grant funds. Such expenditures to Planned Parenthood, and Urban Minority Alcoholism & Drug Abuse Outreach Program of Dayton, Inc. (UMADAOP), for the Wellness Block Grant are presented as Intergovernmental Receipts and Contractual Services on the Council's financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000
(Continued)**

3. EQUITY IN POOLED CASH

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

The Montgomery County Treasurer, is responsible for maintaining adequate depository collateral for all funds in Montgomery County's pooled and deposit accounts. The Council's carrying amount of cash on deposit with Montgomery County at December 31, 2001 was \$1,705,350, and at December 31, 2000 was \$ 1,553,340.

4. DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

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

For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Council contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The Council has paid all contributions required through December 31, 2001.

5. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000 were as follows:

2001 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipt</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$558,000	\$532,743	(\$25,257)
Special Revenue	<u>1,076,738</u>	<u>968,000</u>	<u>(108,738)</u>
	<u>\$1,634,738</u>	<u>\$1,500,743</u>	<u>(\$133,995)</u>

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$558,000	\$578,749	\$20,749
Special Revenue	<u>1,175,594</u>	<u>1,134,746</u>	<u>(40,848)</u>
	<u>\$1,733,594</u>	<u>\$1,713,495</u>	<u>(\$20,099)</u>

**FAMILY AND CHILDREN FIRST COUNCIL
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000
(Continued)**

5. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$466,043	\$380,848	\$85,195
Special Revenue	<u>1,096,738</u>	<u>967,885</u>	<u>128,853</u>
	<u>\$1,562,781</u>	<u>\$1,348,733</u>	<u>\$214,048</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$453,296	\$369,573	\$83,723
Special Revenue	<u>1,195,594</u>	<u>898,390</u>	<u>297,204</u>
	<u>\$1,648,890</u>	<u>\$1,267,963</u>	<u>\$380,927</u>

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Family and Children First Council
Montgomery County
451 West Third Street
Dayton, Ohio 45422

To the Members of Council:

We have audited the financial statements of the Family and Children First Council, Montgomery County, (the Council), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 18, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Council in a separate letter dated April 18, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Family and Children First Council
Montgomery County
Report of Independent Accountants on Compliance and
on Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of the Resource Management Committee, management, and Council, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 18, 2002



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MONTGOMERY COUNTY FAMILY AND CHILDREN FIRST COUNCIL

MONTGOMERY 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
MAY 9, 2002**