



**Auditor of State
Betty Montgomery**

**FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

TABLE OF CONTENTS

| TITLE | PAGE |
|--|-------------|
| Independent Accountants' Report..... | 1 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Types – For the Fiscal Year Ended June 30, 2004 | 3 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Types – For the Period of January 1, 2003 to June 30, 2003 | 4 |
| Notes to the Financial Statements | 5 |
| Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> | 9 |

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Family, Adult and Children First Council
Fairfield County
210 East Main Street
Lancaster, Ohio 43130

To the Council Members:

We have audited the accompanying financial statements of the Family, Adult and Children First Council, Fairfield County, Ohio, (the Council) as of and for the year ended June 30, 2004 and for the period of January 1, 2003, through June 30, 2003. 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 discussed in Note 1, 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.

As described in Note 2, the Council changed its fiscal year end from December 31 to June 30.

As also described in Note 2, the Council restated fund cash balances at January 1, 2003, to separately present restricted funds and to include previously unrecorded, segregated cash balances.

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 June 30, 2004, and June 30, 2003, and its combined cash receipts and disbursements for the fiscal year ended June 30, 2004 and the six-month period ended June 30, 2003, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2005, 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.

Family, Adult and Children First Council
Fairfield County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of the audit committee, management, the Council Members, 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.

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

Betty Montgomery
Auditor of State

March 24, 2005

**FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2004**

| | <u>Governmental Fund Types</u> | | Totals (Memorandum Only) |
|---|--------------------------------|----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | |
| Cash Receipts: | | | |
| Intergovernmental | \$27,451 | \$920,587 | \$948,038 |
| Miscellaneous Receipts | 0 | 12,374 | 12,374 |
| | <u>27,451</u> | <u>932,961</u> | <u>960,412</u> |
| Total Cash Receipts | | | |
| | <u>27,451</u> | <u>932,961</u> | <u>960,412</u> |
| Cash Disbursements: | | | |
| Salaries | 52,061 | 63,132 | 115,193 |
| Benefits | 26,182 | 31,750 | 57,932 |
| Supplies and Materials | 16,269 | 5,491 | 21,760 |
| Purchased Services | 0 | 857,871 | 857,871 |
| Training/Travel Expenses | 3,397 | 880 | 4,277 |
| | <u>97,909</u> | <u>959,124</u> | <u>1,057,033</u> |
| Total Cash Disbursements | | | |
| | <u>97,909</u> | <u>959,124</u> | <u>1,057,033</u> |
| Total Cash Receipts Over/(Under) Cash Disbursements | (70,458) | (26,163) | (96,621) |
| Fund Cash Balances, July 1 | <u>70,700</u> | <u>141,900</u> | <u>212,600</u> |
| Fund Cash Balances, June 30 | <u><u>\$242</u></u> | <u><u>\$115,737</u></u> | <u><u>\$115,979</u></u> |

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

**FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE PERIOD JANUARY 1, 2003 THROUGH JUNE 30, 2003**

| | <u>Governmental Fund Types</u> | | <u>Totals (Memorandum Only)</u> |
|--|--------------------------------|----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | |
| Cash Receipts: | | | |
| Intergovernmental | \$28,697 | \$412,690 | \$441,387 |
| Miscellaneous Receipts | 0 | 10,440 | 10,440 |
| | <u>28,697</u> | <u>423,130</u> | <u>451,827</u> |
| Total Cash Receipts | | | |
| | <u>28,697</u> | <u>423,130</u> | <u>451,827</u> |
| Cash Disbursements: | | | |
| Salaries | 12,888 | 28,379 | 41,267 |
| Benefits | 5,693 | 12,538 | 18,231 |
| Supplies and Materials | 7,037 | 152 | 7,189 |
| Purchased Services | 24,750 | 342,987 | 367,737 |
| Training/Travel Expenses | 619 | 842 | 1,461 |
| | <u>50,987</u> | <u>384,898</u> | <u>435,885</u> |
| Total Cash Disbursements | | | |
| | <u>50,987</u> | <u>384,898</u> | <u>435,885</u> |
| Total Cash Receipts Over/(Under) Cash Disbursements | (22,290) | 38,232 | 15,942 |
| Fund Cash Balances, January 1 (as restated - see Note 2) | <u>92,990</u> | <u>103,668</u> | <u>196,658</u> |
| Fund Cash Balances, June 30 | <u><u>\$70,700</u></u> | <u><u>\$141,900</u></u> | <u><u>\$212,600</u></u> |

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

**FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1, 2003, THROUGH JUNE 30, 2003,
AND THE FISCAL YEAR ENDED JUNE 30, 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Section 121.37, Ohio 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. 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 director 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 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 interests of families in the county. Where possible, the number of members representing families shall be equal to twenty per cent of the council's remaining membership.

A county family and children first council may invite any other 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, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1, 2003, THROUGH JUNE 30, 2003,
AND THE FISCAL YEAR ENDED JUNE 30, 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (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 family 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.

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.

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 for reporting purposes to segregate cash that is 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 account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Council had the following significant Special Revenue Fund:

Help Me Grow Grant – This fund receives monies for the purpose of the grant provisions.

**FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1, 2003, THROUGH JUNE 30, 2003,
AND THE FISCAL YEAR ENDED JUNE 30, 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fiscal Agent

Fairfield County served as fiscal agent for the Council for the year and six-month period. Council funds are maintained in a separate agency fund at the County.

2. CHANGE IN FISCAL YEAR AND RESTATEMENT OF BEGINNING BALANCE

During 2003, the Council changed its fiscal year to agree to the fiscal year of the State of Ohio, the source of the majority of its funding. The Council fiscal year changed from January 1 through December 31 to July 1 through June 30.

The Council also restated cash fund balances as of January 1, 2003, to properly present \$92,186 in restricted funds separately and to record balances from two Council segregated sub-accounts, Older Adult Network and Children's Committee, which were previously unrecorded in the Council's financial statements.

These restatements resulted in the following change to fund balances as of January 1, 2003:

| | General Fund | Special Revenue | Total |
|--|-----------------|--------------------|-----------|
| Fund Balances as previously reported | \$185,176 | \$0 | \$185,176 |
| Restricted Funds | (92,186) | 92,186 | 0 |
| Unrecorded, segregated sub-accounts | 0 | 11,482 | 11,482 |
| Restated Fund Balances as of January 1, 2003 | \$92,990 | \$103,668 | \$196,658 |

3. EQUITY IN POOLED CASH

The Fairfield County Treasurer maintains a cash pool used by all of the County's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the County at June 30, 2004 and 2003 was \$115,979 and \$198,586 respectively. At June 30, 2003, an additional \$14,014 was held in segregated accounts for two Council sub-accounts, Older Adult Network and Children's Committee. At June 30, 2004, these sub-accounts were included in the cash pool held by the County Treasurer. The Fairfield County Treasurer is responsible for all risks associated with the Council's deposits.

4. RETIREMENT SYSTEM

The Council's 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 healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2004 and 2003, PERS member employees contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through June 30, 2004.

**FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1, 2003, THROUGH JUNE 30, 2003,
AND THE FISCAL YEAR ENDED JUNE 30, 2004
(Continued)**

5. BUDGETARY ACTIVITY

Budgetary activity for the fiscal year ended June 30, 2004 and the period January 1, 2003, through June 30, 2003, follows:

| Fiscal Year 2004 Budgeted vs. Actual Receipts | | | |
|---|----------------------|--------------------|-------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$28,362 | \$27,451 | (\$911) |
| Special Revenue | 1,072,034 | 932,961 | (139,073) |
| Total | \$1,100,396 | \$960,412 | (\$139,984) |

| Fiscal Year 2004 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$99,218 | \$97,909 | \$1,309 |
| Special Revenue | 1,012,646 | 959,124 | 53,522 |
| Total | \$1,111,864 | \$1,057,033 | \$54,831 |

| Budgeted vs. Actual Receipts For the period January 1, 2003, through June 30, 2003 | | | |
|--|----------------------|--------------------|-----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$2,750 | \$28,697 | \$25,947 |
| Special Revenue | 451,010 | 423,130 | (27,880) |
| Total | \$453,760 | \$451,827 | (\$1,933) |

| Budgeted vs. Actual Budgetary Basis Expenditures For the period January 1, 2003, through June 30, 2003 | | | |
|---|----------------------------|---------------------------|------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$16,778 | \$50,987 | (\$34,209) |
| Special Revenue | 438,417 | 384,898 | 53,519 |
| Total | \$455,195 | \$435,885 | \$19,310 |

6. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



Auditor of State Betty Montgomery

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

Family, Adult and Children First Council
Fairfield County
210 East Main Street
Lancaster, Ohio 43130

To the Council Members:

We have audited the accompanying financial statements of the Family, Adult and Children First Council, Fairfield County, Ohio (the Council) as of and for the year ended June 30, 2004, and the period January 1, 2003 through June 30, 2003, and have issued our report thereon dated March 24, 2005, wherein we noted the Council changed its fiscal year and restated fund balances. 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 tested its compliance with certain provisions of laws, regulations, contracts and grants, 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 such an opinion. The results of our tests disclosed no instances of noncompliance we must report under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting 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. In a separate letter to the Council's management dated March 24, 2005, we reported another matter involving internal control over financial reporting we did not deem a reportable condition.

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Family, Adult and Children First Council
Fairfield County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*

This report is intended solely for the information and use of the audit committee, management and the Council Members, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

March 24, 2005



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
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800-282-0370
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FAIRFIELD COUNTY FAMILY, ADULT AND CHILDREN FIRST COUNCIL

FAIRFIELD 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 7, 2005**