



**FAMILY AND CHILDREN FIRST COUNCIL  
LICKING COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED JUNE 30, 2000 - 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**FAMILY AND CHILDREN FIRST COUNCIL  
LICKING COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balance For the Years Ended June 30, 2000 and 1999 .....	3
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	11

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Family and Children First Council  
Licking County  
119 Union Street  
Newark, Ohio 43055

To Members of the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Licking County, Ohio, (the Council) as of and for the years ended June 30, 2000 and June 30, 1999. These financial statements are the responsibility of the Council. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards 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 audits 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 audits provide 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balance of the Council as of June 30, 2000 and June 30, 1999, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

As described in Note 5, effective July 1, 1998 the Council's assets were restated to include pooled funds not previously reported on the Council's financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2000 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 audits.

This report is intended solely for the information and use of the Executive Committee, management, the 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

November 8, 2000



**FAMILY AND CHILDREN FIRST COUNCIL  
LICKING COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE  
FOR THE YEARS ENDED JUNE 30, 2000 AND 1999**

	2000	1999
Cash Receipts:		
Intergovernmental	\$739,289	\$606,746
Interest	2,522	2,040
Miscellaneous	3,795	2,504
Total Cash Receipts	745,606	611,290
Cash Disbursements:		
Current:		
Salaries/Benefits	42,054	44,170
Contractual Services	651,550	689,844
Capital Outlay	1,275	0
Miscellaneous	10,108	0
Total Cash Disbursements	704,987	738,906
Total Receipts Over/(Under) Cash Disbursements	40,619	(127,616)
Cash Balance, July 1	37,842	165,458
Cash Balance, June 30	\$78,461	\$37,842

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

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**FAMILY AND CHILDREN FIRST COUNCIL  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000 AND 1999**

**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 directors 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 human 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 member representing families shall be equal to twenty per cent of the council's remaining membership.

**FAMILY AND CHILDREN FIRST COUNCIL  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000 AND 1999  
(Continued)**

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

**A. Description of the Entity (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 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 services 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.

**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.

**FAMILY AND CHILDREN FIRST COUNCIL  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000 AND 1999  
(Continued)**

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

**C. Fiscal Agents**

The Community Mental Health and Recovery Board of Licking and Knox Counties is the Council's administrative agent. The Licking County Department of Jobs and Family Services is the fiscal agent for the Council's local pooled funds and the Moundbuilders Guidance Center is the Council's fiscal agent for all other funds. The Licking County Board of Mental Retardation and Developmental Disabilities is the Council's fiscal agent for payroll and employee benefits. Council funds are maintained in a separate fund at the Licking County Department of Jobs and Family Services and the Moundbuilders Guidance Center. The Licking County Board of Mental Retardation and Developmental Disabilities remits invoices to the Moundbuilders Guidance Center for reimbursement of payroll and employee benefits.

Moundbuilders Guidance Center is a not-for-profit agency who also has a designated member on the Council. The Licking County Auditor is the designated fiscal agent of the Department of Jobs and Family Services and the Board of Mental Retardation and Developmental Disabilities.

**D. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**2. EQUITY IN POOLED CASH**

For the years ended June 30, 2000 and June 30, 1999, the Moundbuilders Guidance Center and the Licking County Auditor maintained the following cash balances for the Council..

The carrying amount of cash at June 30 was as follows:

	<u>2000</u>	<u>1999</u>
Moundbuilders Guidance Center	\$30,700	\$11,739
Licking County Auditor	<u>47,761</u>	<u>26,103</u>
Total deposits	<u><u>\$78,461</u></u>	<u><u>\$37,842</u></u>

**Deposits:** The Licking County Auditor, and Moundbuilders Guidance Center, as the fiscal agents for the Council, are responsible for maintaining adequate collateral for all funds in Licking County's pooled and deposit accounts, and Moundbuilders Guidance Center's cash pool.

**FAMILY AND CHILDREN FIRST COUNCIL  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY**

The Council submits annual budgets to the fiscal agents as required by Ohio Law. These budgets summarize estimated receipts and expenditures.

Budgetary activity for the year ended June 30, 2000 and June 30, 1999 were as follows:

**2000 Budgeted VS. Actual Receipts**

	Budgeted Receipts	Actual Receipts	Variance
	<u>\$671,480</u>	<u>\$745,606</u>	<u>\$74,126</u>

**2000 Budgeted VS. Actual Expenditures**

	Budgeted Expenditures	Actual Expenditures	Variance
	<u>\$681,028</u>	<u>\$704,987</u>	<u>\$(23,959)</u>

**1999 Budgeted VS. Actual Receipts**

	Budgeted Receipts	Actual Receipts	Variance
	<u>\$718,743</u>	<u>\$611,290</u>	<u>\$(107,453)</u>

**1999 Budgeted VS. Actual Expenditures**

	Budgeted Expenditures	Actual Expenditures	Variance
	<u>\$803,110</u>	<u>\$738,906</u>	<u>\$64,204</u>

**FAMILY AND CHILDREN FIRST COUNCIL  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000 AND 1999  
(Continued)**

**4. DEFINED BENEFIT PENSION PLANS**

**Public Employees Retirement System**

The Family and Children First Council coordinator belongs to the Public Employees Retirement System (PERS of Ohio). The PERS is a state operated, cost sharing, multiple employer public employee retirement system. PERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. PERS also provides survivor and disability benefits to vested employees.

Contribution rates are also prescribed by the Ohio Revised Code. The Council's PERS member contributes 8.5% of the gross salary. The Council contributed an amount equal to 13.55% of participants' gross salary. The Council has paid all contributions required through June 30, 2000.

**5. PRIOR PERIOD ADJUSTMENT**

Previously, the Family and Children First Council's local pooled funds were not included on the Council's financial statements. Due to the Council's authority to operationally manage and control these funds, the following adjustment was made to the June 30, 1998 Council's cash balance.

Balance, June 30, 1998	\$ 47,365
Adjustment	<u>118,093</u>
Restated Balance, July 1, 1998	<u><u>\$165,458</u></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  
Licking County  
119 Union Street  
Newark, Ohio 43055

To Members of the Council:

We have audited the accompanying financial statements of Family and Children First Council, Licking County, Ohio (the Council), as of and for the years ended June 30, 2000 and June 30, 1999, and have issued our report thereon dated November 8, 2000, wherein we noted the Council restated its July 1, 1998 assets. We conducted our audits in accordance with generally accepted auditing standards 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits 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*.

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered 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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Council in a separate letter dated November 8, 2000.

Family and Children First Council  
Licking County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

**JIM PETRO**  
Auditor of State

November 8, 2000





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**LICKING FAMILY AND CHILDREN FIRST COUNCIL**

**LICKING 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  
DECEMBER 12, 2000**