



**FAMILY AND CHILDREN FIRST COUNCIL  
ALLEN COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999**



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

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**STATE OF OHIO**



**FAMILY AND CHILDREN FIRST COUNCIL  
ALLEN COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Family and Children First Council  
Allen County  
P. O. Box 1243  
Lima, Ohio 45802

To the Members of Council:

We have audited the accompanying financial statements of the Family and Children First Council, (the Council) Allen County, as of and for the years ended December 31, 2000 and 1999. 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 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 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 2, the Council prepares its financial statement 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 Family and Children First Council, Allen County, as of December 31, 2000 and 1999, and its cash receipts and cash 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 May 23, 2001, 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 audit committee, management, the Members of Council and other officials authorized to receive this report under Section 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

May 23, 2001

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**FAMILY AND CHILDREN FIRST COUNCIL  
ALLEN 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**

|  | General Fund    | Special Revenue<br>Funds | Total<br>(Memorandum<br>Only) |
|--|-----------------|--------------------------|-------------------------------|
| <b>Cash Receipts:</b>                                |                 |                          |                               |
| Intergovernmental Receipts                           | \$58,720        | \$552,549                | \$611,269                     |
| Dues   | 10,605          |                          | 10,605                        |
| Miscellaneous  | <u>290</u>      |                          | <u>290</u>                    |
| Total Cash Receipts                                  | 69,615          | <u>552,549</u>           | 622,164                       |
| <b>Cash Disbursements:</b>                           |                 |                          |                               |
| Salaries and Benefits                                | 33,395          |                          | 33,395                        |
| Supplies   | 992             |                          | 992                           |
| Travel/Training                                      | 1,387           |                          | 1,387                         |
| Intergovernmental Disbursements                      |                 | <u>569,319</u>           | <u>569,319</u>                |
| Total Cash Disbursements                             | <u>35,774</u>   | <u>569,319</u>           | <u>605,093</u>                |
| Total Cash Receipts Over/Under<br>Cash Disbursements | 33,841          | (16,770)                 | 17,071                        |
| Fund Cash Balances, January, 1, 2000                 | <u>1,677</u>    | <u>187,618</u>           | <u>189,295</u>                |
| Fund Cash Balances, December 31, 2000                | <u>\$35,518</u> | <u>\$170,848</u>         | <u>\$206,366</u>              |

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

**FAMILY AND CHILDREN FIRST COUNCIL  
ALLEN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

|  | General Fund   | Special Revenue<br>Funds | Total<br>(Memorandum<br>Only) |
|--|----------------|--------------------------|-------------------------------|
| <b>Cash Receipts:</b>                                |                |                          |                               |
| Intergovernmental Receipts                           | \$19,060       | \$611,094                | \$630,154                     |
| Dues   | 7,650          |                          | 7,650                         |
| Miscellaneous  | <u>750</u>     |                          | <u>750</u>                    |
| Total Receipts                                       | 27,460         | 611,094                  | 638,554                       |
| <b>Cash Disbursements:</b>                           |                |                          |                               |
| Salaries and Benefits                                | 42,270         |                          | 42,270                        |
| Supplies   | 1,226          |                          | 1,226                         |
| Travel/Training                                      | 790            |                          | 790                           |
| Intergovernmental Disbursements                      | <u>3,022</u>   | <u>524,786</u>           | <u>527,808</u>                |
| Total Cash Disbursements                             | <u>47,308</u>  | <u>524,786</u>           | <u>572,094</u>                |
| Total Cash Receipts Over/Under<br>Cash Disbursements | (19,848)       | 86,308                   | 66,460                        |
| Fund Cash Balances, January, 1, 1999                 | <u>21,525</u>  | <u>101,310</u>           | <u>122,835</u>                |
| Fund Cash Balances, December 31, 1999                | <u>\$1,677</u> | <u>\$187,618</u>         | <u>\$189,295</u>              |

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

**FAMILY AND CHILDREN FIRST COUNCIL  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. DESCRIPTION OF THE ENTITY**

Ohio Rev. Code Section 121.37, 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 Ohio Rev. Code Section 5153.15;
- 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 Ohio Rev. Code Section 3301.31;
- 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 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  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. 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 families and children;
- d. Participates 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.

To assist in fulfilling the Council's statutory responsibilities, the following committees have been established:

**A. Intersystem Services for Families/Service Coordination Committee**

Established to oversee the coordination of services and funding for multi-system families and children and to proactively create change in the service delivery system to better meet the needs of families within the community. Monitors and manages the Family Stability Incentive Program. Responsibilities also include developing, reviewing, and monitoring the county service coordination plan and make recommendations that benefit the community.

**B. Training/Staff Development Committee**

Established to develop county-wide, cross-systems training events for service providers at every level. Responsibilities include planning of an annual conference for social service providers, health care providers, educators, and community members who work with and serve families. Also, to participate in regional meetings with other Family and Children First Councils, and to facilitate presentations or training on timely topics whenever need is presented.

**C. Public Relations Committee**

Established to develop and distribute written materials and arrange events to promote the mission of the Council. Responsibilities include the planning, presentation and evaluation of a Community Information Fair, and the development of a general information brochure and an informational portfolio.

**FAMILY AND CHILDREN FIRST COUNCIL  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. DESCRIPTION OF THE ENTITY (Continued)**

**D. Wellness Block Grant Task Force**

Established to select, implement, monitor and evaluate appropriate programs for the Wellness Block Grant Funds; to serve the primary stated focus of the grant, while supporting the community's wellness through the use of a variety of prevention and intervention programs; to recommend future programming based on the results of the evaluation.

**E. Early Start Advisory Committee**

Monitors the implementation of the Early Start program; and includes supervision of Early Start providers.

**F. Finance Committee**

The committee approves bills for payment and reviews monthly financial reports submitted by the fiscal agent. Responsibilities also include recommending the budget for the administrative funds and approving the budgets for the grants and activities. The committee performs an annual internal audit of all funds under the control of the Council, and reviews the independent audit and assures that audit recommendations are appropriately addressed.

**G. Early Childhood Conference**

Plans and implements an annual full day conference for professionals who work with children from birth to five years and their families.

**H. Family Support Committee**

Identifies and creates strategies to meet family needs. Ensures that families have access to the support they need to promote self-sufficiency and supports family representation on Council and Council committees.

**I. Independent Living Committee**

Facilitates interagency collaboration, awareness, and understanding of youth in transition to independent living.

**J. Family Literacy Committee**

Promotes the development and implementation of Family Literacy programs and activities.

**K. Outcome/Evaluation Committee**

Charged with measuring the effectiveness of Council goals and objectives.

**FAMILY AND CHILDREN FIRST COUNCIL  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**2. SUMMARY OF SIGNIFICANT POLICIES**

**A. 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 a payment is made rather than when a liability is incurred.

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

**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 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 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 1999 and 2000, the Council received funding from an Administration Grant and dues from member agencies.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. During 2000 and 1999, the Council received an Ohio Early Start Grant, an Ohio Wellness Block Grant, a Family Stability Grant, a Welcome Home Grant, and a Network Grant.

**C. Administrative/Fiscal Agent**

The Allen County Commissioners was designated by the Council to serve as the administrative agent as of January 1, 1997. The Allen County Auditor acts as fiscal agent for the Council and the County Treasurer maintains a cash and investment pool used by all County funds. Council funds are maintained in the agency funds of the County.

**D. Grant Subrecipients**

During the period January 1, 1999 through December 31, 2000, the Council was awarded a grant from the Family Preservation and Support Services Program (also known as the Ohio Early Start Program). These grant revenues are passed on to the United Way, Lima Allen County Council for Community Affairs, Allen County Health Department, St. Rita's ACCESS program, and the Allen County Board of Mental Retardation and Developmentally Disabled program. This grant is presented as an intergovernmental receipt and disbursement on the Council's financial statements to reflect the pass-through of these monies.

**FAMILY AND CHILDREN FIRST COUNCIL  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**2. SUMMARY OF SIGNIFICANT POLICIES (Continued)**

During the same period, the Council was also awarded a Wellness Block Grant (which includes programs for teen pregnancy prevention and child abuse and neglect prevention). These grant revenues are passed on to the YMCA fo Lima, Big Brothers/Big Sisters, Family Resource Centers, Apollo Career Center and Lima City Schools GRADS, ASAP/B.A.B.Y., United Way of Greater Lima, Arc of Allen County, Ohio State University-Lima, and UMADAOP. This grant is presented as an intergovernmental receipt and disbursement on the Council's financial statements to reflect the pass-through of these monies.

**E. Budgetary Process**

The Council by-laws require that each fund be budgeted annually. A summary of 2000 and 1999 budgetary activity appears in Note 3.

**F. Unpaid Sick and Vacation Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Council.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2000, was as follows:

**2000 Budgeted vs. Actual Receipts**

| <b>Fund Type</b> | <b>Budgeted<br/>Receipts</b> | <b>Actual<br/>Receipts</b> | <b>Variance</b>    |
|------------------|------------------------------|----------------------------|--------------------|
| General Fund     | \$ 52,693                    | \$ 69,615                  | \$ 16,922          |
| Special Revenue  | <u>1,058,462</u>             | <u>552,549</u>             | <u>(505,913)</u>   |
| Total            | <u>\$1,111,155</u>           | <u>\$622,164</u>           | <u>(\$488,991)</u> |

**2000 Budgeted vs. Actual Expenditures**

| <b>Fund Type</b> | <b>Budgeted<br/>Expenditures</b> | <b>Actual<br/>Expenditures</b> | <b>Variance</b>  |
|------------------|----------------------------------|--------------------------------|------------------|
| General Fund     | \$ 52,693                        | \$ 35,774                      | \$ 16,919        |
| Special Revenue  | <u>1,000,869</u>                 | <u>569,319</u>                 | <u>431,550</u>   |
| Total            | <u>\$1,053,562</u>               | <u>\$605,093</u>               | <u>\$448,469</u> |

**1999 Budgeted vs. Actual Receipts**

| <b>Fund Type</b> | <b>Budgeted<br/>Receipts</b> | <b>Actual<br/>Receipts</b> | <b>Variance</b>    |
|------------------|------------------------------|----------------------------|--------------------|
| General Fund     | \$ 50,954                    | \$ 27,460                  | (\$ 23,494)        |
| Special Revenue  | <u>1,070,634</u>             | <u>611,094</u>             | <u>(459,540)</u>   |
| Total            | <u>\$1,121,588</u>           | <u>\$638,554</u>           | <u>(\$483,034)</u> |

**FAMILY AND CHILDREN FIRST COUNCIL  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

**1999 Budgeted vs. Actual Expenditures**

| <b>Fund Type</b> | <b>Budgeted<br/>Expenditures</b> | <b>Actual<br/>Expenditures</b> | <b>Variance</b>  |
|------------------|----------------------------------|--------------------------------|------------------|
| General Fund     | \$ 50,954                        | \$ 47,308                      | \$ 3,646         |
| Special Revenue  | <u>896,610</u>                   | <u>524,786</u>                 | <u>371,824</u>   |
| Total            | <u>\$947,564</u>                 | <u>\$572,094</u>               | <u>\$375,470</u> |

**4. EQUITY IN POOLED CASH**

Allen County maintains separate funds for the Family and Children First Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash with the county treasury as of December 31, 1999 was \$189,295, and as of December 31, 2000 was \$206,366. Allen County, as fiscal agent for the Council is responsible for maintaining adequate depository collateral for all funds.

**5. RETIREMENT SYSTEMS**

The 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 post-retirement 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 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Council contributed an amount equal to 13.55% of participants' gross salaries from January 1999 through June 2000, and an amount equal to 8.13% of participants' gross salaries for July through December 2000. The Council has paid all contributions required through December 31, 2000.

**6. RISK MANAGEMENT**

The Council is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets. During 2000 and 1999, the Council's fiscal agent, Allen County, provided insurance for the assets of the Council.

**7. GRANTS**

The Council receives financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, based on prior experience, management believes such refunds, if any, would not be material.



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

Family and Children First Council  
Allen County  
P. O. Box 1243  
Lima, Ohio 45802

To the Members of Council:

We have audited the financial statements of the Family and Children First Council, Allen County, ("the Council") as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 23, 2001. We conducted our audit 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 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 non-compliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Council in a separate letter dated May 23, 2001.

**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.

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

**Jim Petro**  
Auditor of State

May 23, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**ALLEN COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**ALLEN 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 21, 2001**