



**FAMILY AND CHILDREN FIRST COUNCIL
DEFIANCE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FAMILY AND CHILDREN FIRST COUNCIL
DEFIANCE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2000	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Family and Children First Council
Defiance County
644 Clinton Street
Defiance, Ohio 43512-2637

To the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Defiance County, (the Council) 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 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 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 Family and Children First Council, Defiance County, Ohio, as of December 31, 2000 and 1999, 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 June 5, 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 audits.

This report is intended solely for the information and use of the finance 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

June 5, 2001

**FAMILY AND CHILDREN FIRST COUNCIL
DEFIANCE 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	\$50,336	\$137,407	\$187,743
Early Start	3,762		3,762
United Way	12,000		12,000
Memberships	15,898		15,898
Donations	13,538		13,538
Programs/Service	8,415		8,415
Miscellaneous	300		300
	<hr/>	<hr/>	<hr/>
Total cash receipts	104,249	137,407	241,656
	<hr/>	<hr/>	<hr/>
Cash disbursements:			
Salaries	35,942	6,720	42,662
Insurance	4,363	3,294	7,657
PERS/Workers' Compensation	4,441	312	4,753
Contract Services		34,573	34,573
Administration		7,560	7,560
Coordinator		10,876	10,876
Special Events		1,210	1,210
Character Project		51,178	51,178
Second Indicator		18,693	18,693
Utilities	4,828		4,828
Supplies	312	3,591	3,903
Training - Grant, Conferences, and Travel	1,790	647	2,437
Miscellaneous	2,856	646	3,502
	<hr/>	<hr/>	<hr/>
Total cash disbursements	54,532	139,300	193,832
	<hr/>	<hr/>	<hr/>
Total cash receipts over/(under) cash disbursements	49,717	(1,893)	47,824
	<hr/>	<hr/>	<hr/>
Other financing (disbursements):			
Other Uses	(10,000)		(10,000)
	<hr/>	<hr/>	<hr/>
Excess of cash receipts over/(under) cash disbursements and other financing disbursements	39,717	(1,893)	37,824
	<hr/>	<hr/>	<hr/>
Fund cash balances, January 1, 2000	3,362	33,367	36,729
	<hr/>	<hr/>	<hr/>
Fund cash balances, December 31, 2000	\$43,079	\$31,474	\$74,553
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**FAMILY AND CHILDREN FIRST COUNCIL
DEFIANCE 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**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Intergovernmental	\$798	\$107,833	\$108,631
United Way	12,000		12,000
Memberships	11,000		11,000
Donations - Resource Center	27,010		27,010
Miscellaneous	1,238	2,941	4,179
	<u>52,046</u>	<u>110,774</u>	<u>162,820</u>
Total cash receipts			
Cash disbursements:			
Salaries	34,555		34,555
Fringes	8,367		8,367
Contract Services		26,708	26,708
Coordinator		6,105	6,105
Partnerships		4,412	4,412
Special Events		810	810
Character Project		25,722	25,722
Second Indicator		20,945	20,945
Utilities	2,205		2,205
Supplies	25,763	169	25,932
Training - Grant, Travel	2,321		2,321
Home Visits		3,404	3,404
Building Improvement	14,347		14,347
Miscellaneous	2,268	4,602	6,870
	<u>89,826</u>	<u>92,877</u>	<u>182,703</u>
Total cash disbursements			
Total cash receipts over/(under) cash disbursements	(37,780)	17,897	(19,883)
Other financing receipts:			
Other Sources	10,000		10,000
Excess of cash receipts and other financing receipts over/(under) cash disbursements	(27,780)	17,897	(9,883)
Fund cash balances, January 1, 1999	<u>31,142</u>	<u>15,470</u>	<u>46,612</u>
Fund cash balances, December 31, 1999	<u><u>\$3,362</u></u>	<u><u>\$33,367</u></u>	<u><u>\$36,729</u></u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
DEFIANCE COUNTY**

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

1. DESCRIPTION OF THE ENTITY

Ohio Revised Code § 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 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 20 percent 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
DEFIANCE COUNTY**

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

The Council's management believes these financial statements present all activities for which the Council is financially accountable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING 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 paid rather than when a liability is incurred. Budgetary presentations report 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.

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.

General Fund - 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. The primary source of revenue for Council operations consists of state grants. The amount provided is based on the Council's annual budget and the amount of funding needed to fulfill Council obligations.

**FAMILY AND CHILDREN FIRST COUNCIL
DEFIANCE COUNTY**

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

Special Revenue Funds - These funds are used to 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 Funds:

Ohio Wellness Block Grant - Federal grant to be used for programs aimed at reducing Teen Pregnancy, Child Abuse and Neglect.

Early Start - Federal grant to be used for supporting and assisting low income families with children.

C. Fiscal Agent

The Defiance County Commissioners served as fiscal agent for the Council. Council funds are maintained in separate agency funds by the Defiance County Auditor.

D. Budgetary Process

The Ohio Revised Code requires that the Council prepare an annual budget and file it with its administrative agent. Unencumbered appropriations lapse at year end.

A summary of 2000 and 1999 budgetary activity appears in Note 4.

E. 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.

F. Unpaid Sick Leave

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

3. EQUITY IN POOLED CASH

The Defiance 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 Council's carrying amount of cash on deposit with the County at December 31, 2000 was \$ 74,553 and at December 31, 1999 was \$36,729. The County is responsible for maintaining adequate depository collateral for all funds in the County's pooled and deposit accounts.

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 was as follows:

**FAMILY AND CHILDREN FIRST COUNCIL
DEFIANCE COUNTY**

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

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$55,365	\$64,532	(\$9,167)
Special Revenue	180,303	139,300	41,003
Total	\$235,668	\$203,832	\$31,836

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
All Funds	\$212,011	\$182,703	\$29,308

Prior to fiscal year 2000, the Council did not budget at the fund type level.

5. DEFINED BENEFIT PENSION PLANS

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 2000 and 1999, members of PERS contributed 8.5 percent of their gross salaries. The Council contributed an amount equal to 10.84 percent of participants' gross salaries in 2000 and 13.55 percent in 1999. The Council has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Council is insured for general liability and casualty by the Defiance County Commissioners.

7. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. 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.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

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

Family and Children First Council
Defiance County
644 Clinton Street
Defiance, Ohio 43512-2637

To the Council:

We have audited the financial statements of the Family and Children First Council, Defiance County, (the Council) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 5, 2001. 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 the 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*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Council in a separate letter dated June 5, 2001

Internal Control Over Financial Reporting

In planning and performing our audits, 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. However, we noted other matters involving the internal control structure and its operation that do not require inclusion in this report, that we have reported to the Council's management in a separate letter dated June 5, 2001.

Family and Children First Council
Defiance 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 finance 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

June 5, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

FAMILY AND CHILDREN FIRST COUNCIL

DEFIANCE 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**