



**HIGHLAND COUNTY
FAMILY AND CHILDREN FIRST COUNCIL
HIGHLAND COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

HIGHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HIGHLAND COUNTY

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

INDEPENDENT ACCOUNTANTS' REPORT

Highland County Family and Children First Council
Highland County
114 Governor Foraker Place
Hillsboro, Ohio 45133

To the Council:

We have audited the accompanying financial statements of Highland County Family and Children First Council, Highland 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 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 described 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 combined fund cash balances of the Council 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 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 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, 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

March 22, 2001

**HIGHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HIGHLAND 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>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Intergovernmental	\$40,000	\$164,020	\$204,020
Total Cash Receipts	<u>40,000</u>	<u>164,020</u>	<u>204,020</u>
Cash Disbursements:			
Contract Services	26,800	159,061	185,861
Supplies/Equipment	298	4,922	5,220
Travel/Training	926	1,571	2,497
Administration	0	2,468	2,468
Miscellaneous	0	544	544
Total Cash Disbursements	<u>28,024</u>	<u>168,566</u>	<u>196,590</u>
Total Receipts Over/(Under) Disbursements	<u>11,976</u>	<u>(4,546)</u>	<u>7,430</u>
Fund Cash Balances, January 1	<u>0</u>	<u>81,298</u>	<u>81,298</u>
Fund Cash Balances, December 31	<u><u>\$11,976</u></u>	<u><u>\$76,752</u></u>	<u><u>\$88,728</u></u>

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

**HIGHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HIGHLAND 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	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Intergovernmental	\$20,000	\$194,398	\$214,398
Total Cash Receipts	20,000	194,398	214,398
Cash Disbursements:			
Contract Services	18,500	207,587	226,087
Travel/Training	0	1,028	1,028
Miscellaneous	1,500	2,134	3,634
Total Cash Disbursements	20,000	210,749	230,749
Total Receipts Over/(Under) Disbursements	0	(16,351)	(16,351)
Fund Cash Balances, January 1	0	97,649	97,649
Fund Cash Balances, December 31	\$0	\$81,298	\$81,298

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

**HIGHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HIGHLAND COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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. 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 number of pupils residing in the county;
- j. The school superintendent representing all other school districts within the territory of 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 Department of Youth Services;
- n. A representative of the county's head start agencies;
- o. A representative of the county's early intervention collaborative; and
- p. A representative of the local nonprofit entity that funds, advocates or provides services to children and families.

**HIGHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HIGHLAND COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 service gaps where possible, or invents new approaches to achieve better results for families and children;
- d. Maintain an accountability system to monitor the council's progress in achieving its purposes;
- e. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system; and
- f. 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".

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 to segregate cash 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. It is used to account for all financial resources except those required to be accounted for in another fund.

**HIGHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HIGHLAND COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. 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:

Wellness Block Grant Fund - This fund is used to account for receipts and expenditures of the Council's Wellness Block Grant which provides funding to focus on teen pregnancy prevention efforts in order to get ahead of problems that have far-reaching and lasting consequences.

Early Start Grant Fund - This fund is used to account for receipts and expenditures of the Council's Early Start Grant which provides funding for home visiting services and community supports for infants and toddlers and their families to prevent abuse, neglect, and developmental delay.

Service Coordinator Fund - This fund is used to account for receipts and expenditures of the Council's Service Coordinator Grant.

Local Child Abuse/Neglect Advisory Board - This fund is used to account for receipts and expenditures of the Council's Local Advisory Board Grant which provides funding for the purposes of assessing community needs, issuing public notice of funds, accepting and reviewing applications for funding, planning services to meet the assessed needs, and establishing reporting and evaluation procedures.

D. Fiscal Agent

The Highland County Auditor serves as the Council's fiscal officer. The Highland County Commissioners Office serves as the Council's administrative agent.

E. Intersystem Administration

The purpose of the Family and Children First Council is to identify and facilitate ways in which child/family serving agencies can enhance services in the most efficient and effective manner through collaborative strides.

An Intersystem Coordinator has been contracted to administer the day-to-day Council duties and operation, training, various community relation pieces, and serve as the Council representative at meetings. The Intersystem Coordinator is a State Operated Services employee assigned to Highland County Counseling. Contracting services are paid from the State Administrative Grant received by the Council.

F. Finance Review Committee

The Finance Review Committee will consist of Council members, with the opportunity for nonmembers participation if deemed appropriate by Council. The Finance Review Committee will work with the Treasurer and Fiscal Agent to oversee financial matters of the Council by monitoring reports, expenditures, contracts and additional matters with financial impact on Council operation.

**HIGHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HIGHLAND COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Budgetary Process

The Council files an annual budget of estimated expenditures with Highland County as required by state law. However, this estimate is not formally adopted by the Council, but rather Council operates via appropriations passed by the County Commissioners. The County Commissioners ensure that the Council's expenditures do not exceed appropriations. For December 31, 2000, total appropriations were \$305,055 and actual expenditures were \$196,590. For December 31, 1999, total appropriations were \$266,382 and actual expenditures were \$230,749. Actual expenditures did not exceed appropriations in 2000 or 1999 for any fund type.

2. EQUITY IN POOLED CASH

The Council's cash pool is maintained by the Highland County Treasurer, its statutory fiscal agent. The Ohio Revised Code prescribes allowable deposits and investments, and the County is responsible for meeting compliance. As of December 31, Council's share of the County's cash and investment pool was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposit	<u>\$88,728</u>	<u>\$81,298</u>

All risk associated with such deposits are the responsibility of Highland County.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

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

Highland County Family and Children First Council
Highland County
114 Governor Foraker Place
Hillsboro, Ohio 45133

To the Council:

We have audited the accompanying financial statements of the Highland County Family and Children First Council, Highland County, Ohio (the Council), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 22, 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 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*.

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.

Highland County Family and Children First Council
Highland County
Report 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 audit 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

March 22, 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

HIGHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL

HIGHLAND 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
APRIL 17, 2001**