



**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED JUNE 30, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

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

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephon 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Family and Children First Council
Logan County
130 South Main Street
Centre City Mall, Court #2
Bellefontaine, OH 43311

To Members of the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Logan County, Ohio, (the Council) as of and for the years ended June 30, 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 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 further described in Note 6, the Council changed its reporting period from calendar year basis to a fiscal year ended June 30th..

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Council as of June 30, 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 June 15, 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. This 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 this audit.

Family and Children First Council
Logan County
Report of Independent Accountants
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This report is intended solely for the information and use of the finance committee, management, the Members of 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 15, 2001

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Intergovernmental	\$66,239	\$390,050	\$456,289
Cash Disbursements:			
Current:			
Personal Services	39,489	167,122	206,611
Contractual Services	13,357	187,075	200,432
Supplies	2,017	4,790	6,807
Miscellaneous	9,728	15,457	25,185
Capital Outlay	2,353	4,112	6,465
Total Cash Disbursements	66,944	378,556	445,500
Total Receipts Over/(Under) Disbursements	(705)	11,494	10,789
Fund Cash Balances, July 1	18,995	45,262	64,257
Fund Cash Balances, June 30	\$18,290	\$56,756	\$75,046
Reserve for Encumbrances, June 30	\$1,819	\$17,723	\$19,542

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

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1999**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	<u>\$58,100</u>	<u>\$237,718</u>	<u>\$295,818</u>
Cash Disbursements:			
Current:			
Personal Services	53,443	62,767	116,210
Utilities	12		12
Contractual Services	9,336	161,462	170,798
Supplies	804	14,979	15,783
Miscellaneous	12,806	2,662	15,468
Capital Outlay	<u>239</u>	<u>452</u>	<u>691</u>
Total Cash Disbursements	<u>76,640</u>	<u>242,322</u>	<u>318,962</u>
Total Receipts (Under) Disbursements	(18,540)	(4,604)	(23,144)
Fund Cash Balances, July 1	<u>37,535</u>	<u>49,866</u>	<u>87,401</u>
Fund Cash Balances, June 30	<u>\$18,995</u>	<u>\$45,262</u>	<u>\$64,257</u>
Reserve for Encumbrances, June 30	<u>\$1,124</u>	<u>\$15,111</u>	<u>\$16,235</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN 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, 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 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
LOGAN 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 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.

B. Cash and Investments

The Logan Educational Service Center acts as fiscal agent for the Council and maintains a cash and investment pool used by all Center funds.

C. 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.

D. Fund Accounting

The Council maintains its accounting records in accordance with the principles of fund accounting. Fund accounting is the 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.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

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.

2. Special Revenue Fund

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 Fund:

Early Start - The fund receives Early Start Grant monies from the State of Ohio to be expended according to the requirements of the grant.

E. Fiscal/Administrative Agent

The Logan County Educational Service Center is the fiscal and administrative agent for the Council.

F. Unpaid Vacation and Sick 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 basis of accounting used by the Council.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Ohio Revised Code prescribes allowable deposits and investments.

The Logan County Educational Service Center acts as fiscal agent and maintains a cash and investment pool used by all Center funds. The carrying amount for the Council's portion of cash and investments on the records of the Educational Service Center as of December 31, 2000, and 1999 was as follows:

	2000	1999
Demand Deposits	<u>\$75,046</u>	<u>\$64,257</u>

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31 as follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$101,345	\$66,239	(\$35,106)
Special Revenue	492,046	390,050	(101,996)
Total	\$593,391	\$456,289	(\$137,102)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$102,339	\$68,763	\$64,184
Special Revenue	522,655	396,279	126,376
Total	\$655,602	\$465,042	\$190,560

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$151,353	\$58,100	(\$93,253)
Special Revenue	335,772	237,718	(98,054)
Total	\$487,125	\$295,818	(\$191,307)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$103,387	\$77,764	\$25,623
Special Revenue	359,434	257,433	102,001
Total	\$462,821	\$335,197	\$127,624

4. RETIREMENT SYSTEMS

Council employees belong to the School Employees Retirement System of Ohio (SERS). SERS 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.

SERS members contributed 9% of their gross salaries. The Council contributed an amount equal to 14% of participants' gross salaries. The Council has paid all contributions required through June 30, 2000.

**FAMILY AND CHILDREN FIRST COUNCIL
LOGAN COUNTY**

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

5. RISK MANAGEMENT

The Council has obtained commercial insurance for the following risks:

- Comprehensive property and general liability obtained by Council.
- Errors and omissions obtained by its fiscal agent

6. CHANGE IN REPORTING PERIOD

The Council previously reported on a calendar-year basis which did not coincide with the reporting period of its fiscal agent, the Logan County Educational Service Center. For ease in preparing the financial statements of the Family and Children First Council, we have changed their reporting period to a fiscal year ended June 30th.

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephon 937-285-6677
800-443-9274
Facsimile 937-285-6688
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
Logan County
130 South Main Street
Centre City Mall, Court #2
Bellefontaine, OH 43311

To Members of the Council:

We have audited the financial statements of the Family and Children First Council, Logan County, (the Council), as of and for the years ended June 30, 2000 and June 30, 1999, wherein we noted that the Council changed its reporting period from the calendar year to a fiscal year ended June 30th, and have issued our report thereon dated June 15, 2001. We conducted our audit in accordance with auditing standards general 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 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*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Council in a separate letter dated June 15, 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. 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 June 15, 2001.

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

June 15, 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

LOGAN 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
JULY 5, 2001**