



**FAMILY AND CHILDREN FIRST COUNCIL
MADISON COUNTY**

REGULAR AUDIT

FOR FISCAL YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FAMILY AND CHILDREN FIRST COUNCIL
MADISON COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Family and Children First Council
Madison County
52 South Main Street
London, Ohio 43140

We have audited the accompanying financial statements of the Family and Children First Council, Madison County, Ohio, (the Council) as of and for the years ended December 31, 2000 and December 31, 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 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 December 31, 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 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 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

**FAMILY AND CHILDREN FIRST COUNCIL
MADISON 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	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Intergovernmental	116,453	394,158	510,611
Other Revenue	19,726	50	19,776
 Total Cash Receipts	 136,179	 394,208	 530,387
Cash Disbursements:			
Current:			
Personal Services	103,725	78,589	182,314
Utilities	4,602	918	5,520
Contractual Services	18,297	221,900	240,197
Supplies and Materials	6,081	35,135	41,216
Travel/Training	2,747	0	2,747
 Total Cash Disbursements	 135,452	 336,542	 471,994
 Total Cash Receipts Over/(Under) Cash Disbursements	 727	 57,666	 58,393
 Fund Cash Balances, January 1, 2000	 28,589	 92,229	 120,818
 Fund Cash Balances, December 31, 2000	 \$29,316	 \$149,895	 \$179,211

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

**FAMILY AND CHILDREN FIRST COUNCIL
MADISON 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	\$80,826	\$283,739	\$364,565
Other Revenue	16,369	9,058	25,427
	97,195	292,797	389,992
Cash Disbursements:			
Current:			
Personal Services	81,962	98,468	180,430
Utilities	2,324	0	2,324
Contractual Services	15,961	138,458	154,419
Supplies and Materials	2,943	2,340	5,283
Travel/Training	1,778	0	1,778
	104,968	239,266	344,234
Total Cash Receipts Over/(Under) Cash Disbursements	(7,773)	53,531	45,758
Fund Cash Balances, January 1, 1999	36,362	38,698	75,060
Fund Cash Balances, December 31, 1999	\$28,589	\$92,229	\$120,818

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

**FAMILY AND CHILDREN FIRST COUNCIL
MADISON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of The Entity

Section 121.37, Ohio Rev Code, created the Ohio Family and Children's First Cabinet Council permitting counties to establish county family and children first councils. Statutory membership of the 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 numbers of pupils residing in the county.
- j. The school superintendent representing all other school districts within the territory in 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 Ohio Department of Youth Services.
- n. A representative of the county's head start agencies.
- o. A representative of the county's early intervention collaborative.
- p. A representative of the local nonprofit entity that funds, advocates or provide services to children and families.

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;

**FAMILY AND CHILDREN FIRST COUNCIL
MADISON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (continued)

- d. Participate in the development of a county wide, 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.

This statement includes 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 is restricted as to use. The Council classifies its funds into the following types:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

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 expenditures 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.

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

D. Fiscal Agent

The Council designated the Madison County Auditor as the fiscal agent for all funds received in the name of the Council. The Council designated the Madison County Commissioners as the administrative agent.

**FAMILY AND CHILDREN FIRST COUNCIL
MADISON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Equity in Pooled Cash

The Madison County Treasurer maintains a cash and investments 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 Auditor at December 31, 2000 was \$179,211 and December 31, 1999 was \$120,818. The Madison County Auditor, as fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in the County's pooled and deposit accounts. All risks associated with the above deposits are the responsibility of Madison County.

F. Budgetary Process

Sub. H.B. 262 states a taxing unit that does not levy a tax is not a taxing unit for purposes of Chapter 5705. of the Ohio Rev. Code. However, Ohio Rev. Code 121.37 (B) (4) states the Council must file an annual budget with the administrative agent and copies must be filed with the County Auditor and the Board of County Commissioners. The Council must henceforth adopt annual appropriations, limited by estimated resources. Expenditures will be limited by appropriations.

A summary of budgetary activity for 2000 and 1999 in note 3.

G. Property, Plant and Equipment

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

H. 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. RETIREMENT SYSTEMS

The Council's employees belong to the Public Employees Retirement System (PERS) and the State Teachers Retirement System (STRS) of Ohio. PERS and STRS are cost-sharing, multiple-employer plans providing 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, PERS members contributed 8.5% of their gross salaries. The Council contributed an amount equal to 10.84% for 2000 and 13.55% for 1999 of the participants gross salaries. For 2000 and 1999, STRS members contributed 9.3% of their wages while the Council contributed 14%. The Council has paid all contributions required through December 31, 2000.

**FAMILY AND CHILDREN FIRST COUNCIL
MADISON COUNTY**

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 97,507	\$ 136,179	\$ 38,672
Special Revenue	436,849	394,208	(42,641)
Total	<u>\$ 534,356</u>	<u>\$ 530,387</u>	<u>\$ (3,969)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 187,357	\$ 135,452	\$ 51,905
Special Revenue	420,600	336,542	84,058
Total	<u>\$ 607,957</u>	<u>\$ 471,994</u>	<u>\$ 135,963</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 50,752	\$ 97,195	\$ 46,443
Special Revenue	199,842	292,797	92,955
Total	<u>\$ 250,594</u>	<u>\$ 389,992</u>	<u>\$ 139,398</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 114,995	\$ 104,968	\$ 10,027
Special Revenue	245,910	239,266	6,644
Total	<u>\$ 360,905</u>	<u>\$ 344,234</u>	<u>\$ 16,671</u>

**FAMILY AND CHILDREN FIRST COUNCIL
MADISON COUNTY**

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

4. RISK MANAGEMENT

The Council has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

5. PRIOR PERIOD ADJUSTMENT

At year end 1998, the balance of the Wellness Block Grant Indicator 1 was approximately \$1,884. This amount was transferred to the Public Assistance Fund for direct services provided by the program at year end. The balance of the Family Stability Grant totaled \$27,316. The Madison County Department of Human Services served as fiscal agent for the Family Stability Grant during 1998. The total amount of \$28,094 was incorrectly carried forward as a fund balance for the Special Revenue Fund Type. The amount was adjusted to \$0 as the beginning fund balance for 1999.

	<u>Fund Balance at</u> <u>12/31/98</u>	<u>Restated Fund Balance at</u> <u>1/1/99</u>
Special Revenue Fund	\$ 28,094	\$ 0

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

Family and Children First Council
Madison County
52 South Main Street
London, Ohio 43140

We have audited the financial statements of the Family and Children First Council, Madison County, Ohio, (the Council) as of and for the years ended December 31, 2000 and December 31, 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 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.

Family and Children First Council
Madison 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 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

May 23, 2001



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FAMILY AND CHILDREN FIRST COUNCIL

MADISON 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 28, 2001**