



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

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**STATE OF OHIO**



**CLARK COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CLARK COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Clark County Family and Children First Council  
Clark County  
1345 Lagonda Avenue  
Springfield, Ohio 45503

To the Board of Trustees:

We have audited the accompanying financial statements of the Clark County Family and Children First Council, (the Council) as of and for the years ended December 31, 2001 and 2000. 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 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.

As described in Note 3, the Council restated its fund cash balances for the general fund and the special revenue fund as of January 1, 2000.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Clark County Family and Children Council, as of and for the years ended December 31, 2001 and 2000, 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 20, 2002 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 Board 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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

June 20, 2002

**CLARK COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$59,860	\$1,911,665	\$1,971,525
Total Cash Receipts	59,860	1,911,665	1,971,525
<b>Cash Disbursements:</b>			
Supplies and Materials	215		215
Contract Services	60,617	1,929,056	1,989,673
Miscellaneous	11,225		11,225
Total Cash Disbursements	72,057	1,929,056	2,001,113
Total Receipts Over/(Under) Disbursements	(12,197)	(17,391)	(29,588)
Fund Cash Balances, January 1	23,055	255,480	278,535
<b>Fund Cash Balances, December 31</b>	<b><u>\$10,858</u></b>	<b><u>\$238,089</u></b>	<b><u>\$248,947</u></b>

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

**CLARK COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$69,588	\$1,318,227	\$1,387,815
Total Cash Receipts	69,588	1,318,227	1,387,815
<b>Cash Disbursements:</b>			
Supplies and Materials	448		448
Contract Services	54,146	1,542,060	1,596,206
Travel Expenses	1,274		1,274
Miscellaneous	16,435		16,435
Total Cash Disbursements	72,303	1,542,060	1,614,363
Total Receipts Over/(Under) Disbursements	(2,715)	(223,833)	(226,548)
Fund Cash Balances, January 1 (as restated)	25,770	479,313	505,083
<b>Fund Cash Balances, December 31</b>	<b>\$23,055</b>	<b>\$255,480</b>	<b>\$278,535</b>

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



**CLARK COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. 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.

**CLARK COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(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. 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. 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.

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:

**CLARK COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**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 restricted. The General Fund had the following major source of funding:

Intergovernmental Receipts - Funds received for the Administration of the Council.

**Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Special Revenue Funds had the following major source of funding:

Intergovernmental Receipts-Funds received from the Ohio Wellness Grant, Welcome Home Grant, Fatherhood Initiative, Help Me Grow and the Early Start Program.

**C. Fiscal Agent**

The Clark County Educational Service Center serves as the fiscal agent for the Council.

**3. RESTATEMENT OF PRIOR YEAR BALANCES**

The Council restated its beginning fund cash balances as of January 1, 2000, to reflect the Council's administrative fund as part of the General Fund, as follows:

	General Fund	Special Revenue Fund
Fund Cash Balance, December 31, 1999	<u>\$18,894</u>	<u>\$486,189</u>
Restatement Amount	6,876	(6,876)
Fund Cash Balance, January 1, 2000	<u>\$25,770</u>	<u>\$479,313</u>

**4. EQUITY IN POOLED CASH AND INVESTMENTS**

The Clark County Educational Service Center, as fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in the Council's pooled cash and investment amounts.

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

Clark County Family and Children First Council  
Clark County  
1345 Lagonda Avenue  
Springfield, Ohio 45503

To the Board of Trustees:

We have audited the accompanying financial statements of the Clark County Family and Children First Council, (the Council) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 20, 2002, in which we noted that the Council restated fund cash balances in the general fund and special revenue fund type. 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.

**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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2001-60312-001.

**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 that might be a material weakness. 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 solely for the information and use of the audit committee, management, and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

**Jim Petro**  
Auditor of State

June 20, 2002

**CLARK COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CLARK COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2001-60312-001**

**Finding For Adjustment**

Ohio Rev. Code Section 121.37 (B) (4)(a)iii, requires the administrative agent for a county council to receive by gift, grant, devise or bequest any moneys, lands, or other property for the purposes for which the council was established. The agent shall hold, apply, and dispose of the money, or other property according to the terms of the gift, grant, devise, or bequest.

The Council posted \$4,882 transferred in from the Clark County Alcohol Drug and Mental Health Services Board, its former fiscal agent, to the general fund. Of the \$4,882, \$4,685 should have been posted to the Children's Cluster and \$197 should have been posted to the Welcome Home Grant, which resulted in the following necessary corrections:

- Reduction of cash fund balance for the General Fund by \$4,882,
- Increase of cash fund balance for the Children's Cluster grant by \$4,685,
- Increase of cash fund balance for the Welcome Home grant by \$197.

The affect of these corrections are reflected in the accompanying financial statements.

The Council should post grant revenues to a special fund to indicate its use is for a restricted purpose and to provide an improved means of tracking grant expenditures. Only revenues for a general purpose should be posted to the general fund. Money paid into any fund shall be used for only the purpose for which the fund was established.

To demonstrate financial accountability and to comply with legal compliance requirements, the Council should develop and implement procedures to provide that all revenue is posted to the appropriate fund/ cost center.

**CLARK COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CLARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE PERIOD JANUARY 1, 1998 TO DECEMBER 31, 1998**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
1999-60312-001	Ohio Rev. Code Section 117.38 – Filing of Cash Basis Annual Report within 60 days of the fiscal year end.	Yes	





STATE OF OHIO  
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**CLARK COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**CLARK 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 25, 2002**