



**Auditor of State
Betty Montgomery**

**CLINTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
CLINTON COUNTY**

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**Auditor of State
Betty Montgomery**

Clinton County Family and Children First Council
Clinton County
1025 S. South Street, Suite 300
Wilmington, Ohio 45177

To the Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

November 17, 2005

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Clinton County Family and Children First Council
Clinton County
1025 S. South Street, Suite 300
Wilmington, Ohio 45177

To the Council:

We have audited the accompanying financial statements of the Clinton County Family and Children First Council, Clinton County, Ohio (the Council), as of and for the years ended December 31, 2004 and 2003. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Council has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Council to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Council does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Council has elected not to reformat its statements. Since this Council does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council as of December 31, 2004, or their changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Clinton County Family and Children First Council, Clinton County, Ohio as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Council to include Management's Discussion and Analysis for the year ended December 31, 2004. The Council has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2005, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

November 17, 2005

**CLINTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
CLINTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

| | <u>General</u> | <u>Special Revenue</u> | <u>Totals (Memorandum Only)</u> |
|---|-------------------------|----------------------------|---|
| Cash Receipts: | | | |
| Intergovernmental | \$ 18,800 | \$ 96,474 | \$ 115,274 |
| Other Revenue | <u>60,060</u> | <u>5,840</u> | <u>65,900</u> |
| Total Cash Receipts | 78,860 | 102,314 | 181,174 |
| Cash Disbursements: | | | |
| Contract Services | 20,493 | 104,822 | 125,315 |
| Salaries & Benefits | 43,566 | 4,497 | 48,063 |
| Travel/Training | 213 | 0 | 213 |
| Miscellaneous | <u>14,906</u> | <u>0</u> | <u>14,906</u> |
| Total Cash Disbursements | <u>79,178</u> | <u>109,319</u> | <u>188,497</u> |
| Total Receipts Over/(Under) Disbursements | (318) | (7,005) | (7,323) |
| Fund Cash Balances, January 1 | <u>52,413</u> | <u>24,039</u> | <u>76,452</u> |
| Fund Cash Balances, December 31 | <u>\$ 52,095</u> | <u>\$ 17,034</u> | <u>\$ 69,129</u> |

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

**CLINTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
CLINTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

| | <u>General</u> | <u>Special Revenue</u> | <u>Totals (Memorandum Only)</u> |
|---|-------------------------|----------------------------|---|
| Cash Receipts: | | | |
| Intergovernmental | \$ 20,000 | \$ 156,901 | \$ 176,901 |
| Other Revenue | <u>53,495</u> | <u>22,883</u> | <u>76,378</u> |
| Total Cash Receipts | 73,495 | 179,784 | 253,279 |
| Cash Disbursements: | | | |
| Contract Services | 32,618 | 179,734 | 212,352 |
| Salaries & Benefits | 43,835 | 13,293 | 57,128 |
| Travel/Training | 234 | 0 | 234 |
| Miscellaneous | <u>16,521</u> | <u>1,299</u> | <u>17,820</u> |
| Total Cash Disbursements | <u>93,208</u> | <u>194,326</u> | <u>287,534</u> |
| Total Receipts Over/(Under) Disbursements | (19,713) | (14,542) | (34,255) |
| Fund Cash Balances, January 1 | <u>72,126</u> | <u>38,581</u> | <u>110,707</u> |
| Fund Cash Balances, December 31 | <u>\$ 52,413</u> | <u>\$ 24,039</u> | <u>\$ 76,452</u> |

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

**CLINTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Ohio Revised 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. 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.
- b. 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.
- c. The director of the county department of human services.
- d. The executive director of the county children's services board.
- e. The superintendent of the county board of mental retardation and developmental disabilities.
- f. The administrative or the judge senior in service or his designee for the county's juvenile court.
- g. The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the county.
- 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 municipal corporation with the largest population in the county.
- j. The chair of the board of county commissioners, or designee.
- k. A representative of the regional office of the department of youth services.
- l. A representative of the county's head start agencies.
- m. A representative of the county's early intervention collaborative.
- n. At least three individuals whose families are receiving or have received services from an agency which is represented on the council. If possible, 20% of the council's membership should consist of members representing families.
- o. The director of the community mental health board.
- p. A representative of the local nonprofit entity that funds, advocates, or provides services to children and families.

**CLINTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(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. 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; and,
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

Council Membership

The County's Council membership included Children's Services, Board of Alcohol Drug Addition and Mental Health Services; Board of Mental Retardation and Developmental Disabilities, and the Juvenile Court. The purpose of the Family and Children First Council is to identify ways in which the Child Serving System can provide services to the community in the most efficient and effective manner. A Council Coordinator has been hired to administrator all of the Family and Children First Programs. Because these programs affect all of the agencies within the Council membership, the salary of this employee is paid from the State administrative grant received by the Council and pooled funding derived from each of the Council agencies in the County.

Administrative Council

The Administrative Council is a governing and policy making body. The Council is responsible for determining the need for staff positions pursuant to established goals, objectives, and policy statements. This committee is responsible for the creation of all standing committees and task groups of the Council.

**CLINTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 deposits 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 of the Council. It is used to account for all financial resources, except those required by law or contract to be accounted for in another fund. The Council maintains a General Fund for awards to the Council funded from state sources. During 2004 and 2003 the following programs were awarded to the Council: Council Administrative Funds Grant.

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 maintains a special revenue fund for awards to the Council funded from state sources. During 2004 and 2003 the following programs were awarded to the Council: Ohio Wellness Block Grant, Council Administrative Funds Grant, Stability Grant, Help me Grow, Family and Children First Council Camelot.

D. Fiscal Agent

The Clinton County Department of Job and Family Services serves as the Council's administrative agent. The Clinton County Auditor maintains Council funds in a separate Special Revenue Fund.

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. Budgetary Process

The Council files an annual budget of estimated expenditures with the Clinton County Auditor required by state law.

**CLINTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

2. EQUITY IN POOLED CASH

The Clinton County Treasurer maintains a cash pool used by all of the County's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments, and the County is responsible for meeting compliance requirements. The Council's carrying amount of cash on deposit with the County at December 31, 2004 and 2003 was \$69,129 and \$76,452 respectively.

3. RISK MANAGEMENT

The Council is covered under Clinton County insurance policy.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Clinton County Family and Children First Council
Clinton County
1025 S. South Street, Suite 300
Wilmington, Ohio 45177

To the Council:

We have audited the financial statements of the Clinton County Family and Children First Council, Clinton County, Ohio (the Council), as of and for the year ended December 31, 2004 and 2003, and have issued our report thereon dated November 17, 2005, wherein we noted the Council followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America.

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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Council in a separate letter dated November 17, 2005.

Compliance and Other Matters

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*

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Clinton County Family and Children First Council
Clinton County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the audit committee, management and the Council. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

November 17, 2005



**Auditor of State
Betty Montgomery**

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FAMILY AND CHILDREN FIRST COUNCIL

CLINTON 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
DECEMBER 30, 2005**