



**FAMILY AND CHILDREN FIRST COUNCIL
ATHENS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FAMILY AND CHILDREN FIRST COUNCIL
ATHENS COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Family and Children First Council
Athens County
P.O. Box 1046
202 Davis Avenue
Athens, Ohio 45701

To the Members of the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Athens County, Ohio (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 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserves for encumbrances of the Family and Children First Council, Athens County, as of December 31, 2000 and 1999, and its 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 July 24, 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 management, the 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

July 24, 2001

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**FAMILY AND CHILDREN FIRST COUNCIL
ATHENS 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**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Intergovernmental	\$ 46,252	\$ 203,288	\$ 249,540
Local Agency Contributions	128,812		128,812
Miscellaneous	1,778		1,778
Total Cash Receipts	176,842	203,288	380,130
Cash Disbursements:			
Personnel Services	45,785	268	46,053
Contract Services	53,051	190,949	244,000
Supplies	737	279	1,016
Utilities	458		458
Miscellaneous	3,092	5,878	8,970
Total Cash Disbursements	103,123	197,374	300,497
Total Cash Receipts Over/(Under) Cash Disbursements	73,719	5,914	79,633
Fund Cash Balances, January 1	44,753	154,069	198,822
Fund Cash Balances, December 31	\$ 118,472	\$ 159,983	\$ 278,455
Reserve for Encumbrances, December 31	\$ 1,816	\$ 0	\$ 1,816

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

**FAMILY AND CHILDREN FIRST COUNCIL
ATHENS 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**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Intergovernmental	\$ 64,583	\$ 234,623	\$ 299,206
Local Agency Contributions	124,944		124,944
Miscellaneous	12,540	176	12,716
 Total Cash Receipts	 202,067	 234,799	 436,866
Cash Disbursements:			
Personnel Services	53,691	83,548	137,239
Contract Services	168,779	113,291	282,070
Supplies	1,686	6,913	8,599
Utilities	666		666
Miscellaneous	2,291		2,291
 Total Cash Disbursements	 227,113	 203,752	 430,865
 Total Cash Receipts Over/(Under) Cash Disbursements	 (25,046)	 31,047	 6,001
Other Financing Receipts/(Disbursements):			
Transfers-In	12,195		12,195
Transfers-Out		(12,195)	(12,195)
 Total Other Financing Receipts/(Disbursements)	 12,195	 (12,195)	 0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 (12,851)	 18,852	 6,001
 Fund Cash Balances, January 1	 57,604	 135,217	 192,821
 Fund Cash Balances, December 31	 \$ 44,753	 \$ 154,069	 \$ 198,822

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

**FAMILY AND CHILDREN FIRST COUNCIL
ATHENS 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 the Board of County Commissioners in each County to establish County Family and Children First Councils. A Board of County Commissioners 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 its County Council. Each County Council must include the following individuals:

1. At least three individuals whose families are or have received services from an agency which is represented on the Council or another County's Council. Where possible, the number of members representing families shall be equal to twenty per cent of the Council's membership;
2. The Director of the Board of Alcohol, Drug Addiction, and Mental Health Services (ADAMH) that serves the County, or, in the case of a County that has an ADAMH Board and a Community Mental Health Board, the Directors of both Boards. If the ADAMH Board covers more than one County, the Director may designate a person to participate on the County's Council;
3. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each City and General Health District in the County. If the County has more than two Health Districts, the Health Commissioner membership may be limited to the Commissioners of the two Districts with the largest populations;
4. The Director of the County Department of Job and Family Services;
5. The Executive Director of the County agency responsible for the administration of Children's Services pursuant to Ohio Rev. Code Section 5153.15;
6. The Superintendent of the County Board of Mental Retardation and Developmental Disabilities;
7. The County's Juvenile Court Judge senior in service or another judge of the Juvenile Court designated by the Administrative Judge or, where there is no Administrative Judge, by the Judge senior in service;
8. The Superintendent of the City, Exempted Village, or Local School District with the largest numbers of pupils residing in the County, as determined by the Ohio Department of Education at least biennially;
9. 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;
10. A representative of the municipal corporation with the largest population in the County;
11. The President of the Board of County Commissioners, or an individual designated by the Board;
12. A representative from the regional office of the Ohio Department of Youth Services;

**FAMILY AND CHILDREN FIRST COUNCIL
ATHENS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

13. A representative of the County's Head Start Agencies, as defined in Ohio Rev. Code Section 3301.31;
14. 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 of 1986"; and,
15. A representative of a local nonprofit entity that funds, advocates or provides services to children and families.

A County Council's statutory responsibilities include the following:

1. Refer to the Cabinet Council those children for whom the Council cannot provide adequate services;
2. Develop and implement a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;
3. 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";
4. Maintain an accountability system to monitor the Council's progress in achieving results for families and children; and,
5. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the County system.

The Athens County Family and Children First Council was organized with the statutory membership on March 13, 1995.

B. Basis of Accounting

The 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**FAMILY AND CHILDREN FIRST COUNCIL
ATHENS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting

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:

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 Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes.

Ohio Wellness Block Grant Fund - This fund is used to account for a state grant to focus on reducing teenage pregnancy and provide latitude to local Councils to make decisions for funding prevention services.

Early Start Grant Fund - This fund is used to account for federal and state grant funds to be used for families with children ages birth to three years and pregnant women who are at risk for abuse, neglect or developmental delay.

D. Fiscal Agent

The Athens County Auditor is the designated fiscal agent for the Family and Children First Council. Council funds are maintained by the County in a separate agency fund.

E. Equity in Pooled Cash and Investments

The Council's cash and investments are maintained by Athens County Commissioners, its statutory fiscal agent. The Ohio Revised Code prescribes allowable deposits and investments and the County is responsible for compliance. As of December 31, 2000 and 1999, the Council's share of the County's cash and investment pool was as follows:

	<u>2000</u>	<u>1999</u>
Demand Deposits	<u>\$ 278,455</u>	<u>\$ 198,822</u>

All risks associated with such deposits are the responsibility of the Council.

F. Budgetary Activity

The Council is required by law to file an annual estimate of expenditures and revenue with Athens County. This estimate is to be adopted by the Council and the Athens County Commissioners. The Council and County Commissioners approve any changes made to this estimate during the year. The County Commissioners ensure that the Council's expenditures do not exceed appropriations. The Council did not file the required budget in 1999 or 2000.

**FAMILY AND CHILDREN FIRST COUNCIL
ATHENS COUNTY**

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

2. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 176,843	\$ 176,842	\$ (1)
Special Revenue *	5,023,673	5,589,820	566,147
Total	\$ 5,200,516	\$ 5,766,662	\$ 566,146

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 214,035	\$ 103,123	\$ 110,912
Special Revenue	310,000	197,374	112,626
Total	\$ 524,035	\$ 300,497	\$ 223,538

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 332,509	\$ 214,262	\$ (118,247)
Special Revenue *	4,730,949	5,059,932	328,983
Total	\$ 5,063,458	\$ 5,274,194	\$ 210,736

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 355,511	\$ 227,113	\$ 128,398
Special Revenue	333,158	215,947	117,211
Total	\$ 688,669	\$ 443,060	\$ 245,609

* Budgeted Receipts for the Early Start Grant , Wellness Block Grant, Family Stability Grant and Welcome Home Grant could not be separated from the Children Services Fund (#080) for 2000 and 1999 in order to compare it to actual revenue. Therefore, total activity of the Children Services Fund (#080) has been included in this note. Readers should note that Special Revenue actual receipts do not agree to the financial statements because of this.

**FAMILY AND CHILDREN FIRST COUNCIL
ATHENS COUNTY**

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

3. RETIREMENT SYSTEMS

The Council's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan provides 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 13.55% of PERS participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants' gross salaries. The Council has paid all contributions required through December 31, 2000.

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

Family and Children First Council
Athens County
P O Box 1046
202 Davis Avenue
Athens, Ohio 45701

To the Members of the Council:

We have audited the financial statements of the Family and Children First Council, Athens County, Ohio (the Council), as of and for the year ended December 31, 2000 and 1999, and have issued our report thereon dated July 24, 2001. 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted immaterial instances of noncompliance that we have reported to management of the Council in a separate letter dated July 24, 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 July 24, 2001.

Family and Children First Council
Athens County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

This report is intended for the information and use of 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

July 24, 2001



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FAMILY AND CHILDREN FIRST COUNCIL

ATHENS 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
SEPTEMBER 4, 2001**