



**FAMILY AND CHILDREN FIRST COUNCIL
HANCOCK COUNTY**

REGULAR AUDIT

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999
AND FOR THE PERIOD ENDED JUNE 30, 2001**



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FAMILY AND CHILDREN FIRST COUNCIL
HANCOCK COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Family and Children First Council
Hancock County
7746 County Road 140
Findlay, Ohio 45840-1792

To the Members of the Council:

We have audited the accompanying financial statements of the Hancock County Family and Children First Council (the Council) as of and for the years ended June 30, 2001 and 2000, and the six month period ending June 30, 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 audits.

We conducted our audits 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 audits 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 audits provide a reasonable basis for our opinion.

As described 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.

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 June 30, 2001, 2000 and 1999, and its combined cash receipts and disbursements for the years ended June 30, 2001 and 2000 and the six month period ended June 30, 1999 on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2001 on our consideration of the District'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 audits.

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 § 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 30, 2001

**FAMILY AND CHILDREN FIRST COUNCIL
HANCOCK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2001**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Intergovernmental Revenue	\$20,000	\$328,897	\$348,897
Membership Fees	16,000		16,000
Placement Costs Reimbursements		179,264	179,264
Other Receipts	16,404	3,291	19,695
Total Cash Receipts	52,404	511,452	563,856
Cash Disbursements:			
Current:			
Salaries	22,490		22,490
Benefits	3,416		3,416
Purchased Services	11,441	323,976	335,417
Supplies and Materials	5,065	45,448	50,513
Capital Outlay		2,067	2,067
Grants to Other Agencies		91,547	91,547
Miscellaneous		20,620	20,620
Total Disbursements	42,412	483,658	526,070
Total Receipts Over Disbursements	9,992	27,794	37,786
Other Financing Disbursements:			
Refunds of Prior Year Receipts		(27,242)	(27,242)
Excess of Cash Receipts Over Cash Disbursements and Other Financing Disbursements	9,992	552	10,544
Fund Cash Balances, July 1	12,301	116,376	128,677
Fund Cash Balances, June 30	\$22,293	\$116,928	\$139,221

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

**FAMILY AND CHILDREN FIRST COUNCIL
HANCOCK 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**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental Revenue	\$20,000	\$241,237	\$261,237
Membership Fees	9,000		9,000
Placement Costs Reimbursements		121,768	121,768
Other Receipts		4,400	4,400
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	29,000	367,405	396,405
Cash Disbursements:			
Current:			
Salaries	21,125		21,125
Benefits	3,276		3,276
Purchased Services	1,429	143,766	145,195
Supplies and Materials	605	6,480	7,085
Capital Outlay		2,330	2,330
Grants to Other Agencies		108,199	108,199
Miscellaneous	1,500	13,647	15,147
	<hr/>	<hr/>	<hr/>
Total Disbursements	27,935	274,422	302,357
Total Receipts Over Disbursements	<hr/>	<hr/>	<hr/>
	1,065	92,983	94,048
Other Financing Receipts/(Disbursements):			
Refunds of Prior Year Expenditures		1,231	1,231
Refunds of Prior Year Receipts		(12,526)	(12,526)
		<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)		(11,295)	(11,295)
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	1,065	81,688	82,753
Fund Cash Balances, July 1	<hr/>	<hr/>	<hr/>
	11,236	34,688	45,924
Fund Cash Balances, June 30	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$12,301	\$116,376	\$128,677

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

**FAMILY AND CHILDREN FIRST COUNCIL
HANCOCK COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental Revenue	\$20,000	\$73,905	\$93,905
Cash Disbursements:			
Current:			
Salaries	9,885	3,986	13,871
Benefits	2,326	917	3,243
Purchased Services	841	3,657	4,498
Supplies and Materials	38		38
Grants to Other Agencies		48,592	48,592
Total Disbursements	<u>13,090</u>	<u>57,152</u>	<u>70,242</u>
Total Receipts Over Disbursements	6,910	16,753	23,663
Fund Cash Balances, January 1	<u>4,326</u>	<u>17,935</u>	<u>22,261</u>
Fund Cash Balances, June 30	<u><u>\$11,236</u></u>	<u><u>\$34,688</u></u>	<u><u>\$45,924</u></u>

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

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**FAMILY AND CHILDREN FIRST COUNCIL
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001**

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.

**FAMILY AND CHILDREN FIRST COUNCIL
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001
(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.

General Fund - 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 restricted. The primary source of revenue for Council operations consists of an Administrative Grant from the state and Local Agency Contributions. These are local monies contributed by Hancock County agencies, including Alcohol, Drug Addiction and Mental Health Services Board, Blanchard Valley School, Juvenile Court, Department of Human Services, Hancock County Commissioners, Findlay City School District, Hancock County Educational Service Center, and Head Start.

**FAMILY AND CHILDREN FIRST COUNCIL
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

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 had the following significant Special Revenue Funds:

Ohio Wellness Block Grant - Federal grant to be used for programs aimed at reducing Teen Pregnancy and Child Abuse.

Intersystems Services Placement Costs - Moneys from state and local agencies to provide foster care or residential services to youths.

Family Stability Incentive Fund - State and Federal moneys used to fund family preservation services , such as respite care and a juvenile corrections program.

C. Fiscal Agent

Beginning July 1, 1999, the Hancock County Educational Services Center served as administrative agent and fiscal agent for the Council. Council funds were accounted for in an agency fund by the Treasurer of the Hancock County Educational Services Center. For the period January 1, 1999 to June 30, 1999, the Hancock County Board of Alcohol, Drug Addiction, and Mental Health Services served as the administrative agent, with the Hancock County Auditor's office serving as fiscal agent.

D. Budgetary Process

The Ohio Revised Code and Audit of State Bulletin 98-007 requires that each fund be budgeted annually.

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. Unpaid Sick and Vacation Leave

Employees are entitled to cash payments for unused sick and vacation leave in certain circumstances, such as upon leaving employment. Unpaid sick and vacation leave is not reflected as liabilities under the cash basis of accounting used by the Council.

3. EQUITY IN POOLED CASH

The Hancock County Educational Service Center maintains a cash pool used by all of the Educational Service Center'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 Educational Service Center at June 30, 2001 was \$139,221, and at June 30, 2000 was \$128,677. The Educational Service Center, as fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in the Educational Service Center's pooled deposit accounts. At June 30, 1999 the Hancock County Treasurer was responsible for the deposits of the Family and Children First Council, as of that date the County Treasurer had \$45,924 on deposit for the Council.

**FAMILY AND CHILDREN FIRST COUNCIL
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

4. DEFINED BENEFIT PENSION PLANS

The Council's employee belongs to the School Employees Retirement System (SERS) of Ohio. 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. Prior to July 1, 1999 the employee of the Council was a member of the Public Employees Retirement System (PERS).

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, members of SERS contributed 9 percent of their gross salaries. The Council contributed an amount equal to 13 percent for 2001 and 14 percent in 2000 of participants' gross salaries. The Council has paid all contributions required through June 30, 2000.

5. RISK MANAGEMENT

The Council is insured for general liability and casualty by the Hancock County Educational Service Center.

6. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



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

Family and Children First Council
Hancock County
7746 County Road 140
Findlay, Ohio 45840-1792

To the Members of the Council:

We have audited the financial statements of the Hancock County Family and Children First Council (the Council) as of and for the years ended June 30, 2001 and 2000, and the six month period ending June 30, 1999, and have issued our report thereon dated July 30, 2001. We conducted our audits 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 audits 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 a certain immaterial instance of noncompliance that we have reported to management of the Council in a separate letter dated July 30, 2001.

Internal Control Over Financial Reporting

In planning and performing our audits, 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.

These comments are intended for the information and use of the audit committee, management and the Council, and are not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

July 30, 2001



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FAMILY AND CHILDREN FIRST COUNCIL

HANCOCK 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
AUGUST 16, 2001**