



**Auditor of State
Betty Montgomery**

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

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Clark County Family and Children First Council
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, 2003 and 2002. 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 described 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 December 31, 2003 and 2002, 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 16, 2004 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 of Trustees 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.

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

Betty Montgomery
Auditor of State

June 16, 2004

**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, 2003**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$63,130	\$2,007,446	\$2,070,576
Miscellaneous	6,387		6,387
Total Cash Receipts	69,517	2,007,446	2,076,963
Cash Disbursements:			
Supplies and Materials	1,562		1,562
Contract Services	62,949	2,009,503	2,072,452
Miscellaneous	1,361		1,361
Total Cash Disbursements	65,872	2,009,503	2,075,375
Total Receipts Over/(Under) Disbursements	3,645	(2,057)	1,588
Fund Cash Balances, January 1	10,389	422,893	433,282
Fund Cash Balances, December 31	<u>\$14,034</u>	<u>\$420,836</u>	<u>\$434,870</u>

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, 2002**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$96,311	\$1,974,292	\$2,070,603
Miscellaneous	20,204		20,204
Total Cash Receipts	116,515	1,974,292	2,090,807
Cash Disbursements:			
Supplies and Materials	1,615		1,615
Contract Services	76,753	1,788,085	1,864,838
Travel Expenses	2,681		2,681
Miscellaneous	35,934	1,402	37,336
Total Cash Disbursements	116,983	1,789,487	1,906,470
Total Receipts Over/(Under) Disbursements	(468)	184,805	184,337
Fund Cash Balances, January 1	10,857	238,088	248,945
Fund Cash Balances, December 31	\$10,389	\$422,893	\$433,282

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

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

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 job and family 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. DESCRIPTION OF THE ENTITY (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 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 government 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:

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. 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.

Miscellaneous Receipts – Funds received to cover cost of various seminars held by the Council from individuals/ organizations attending the seminars

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The following are the significant Special Revenue Funds:

Ohio Wellness Grant – Used to prevent out-of-wedlock births among teens in Ohio.

Help Me Grow – Used to implement and maintain a coordinated, community based infrastructure that promotes trans-disciplinary, family centered services for expectant parents, newborns, infants, toddlers and their families in collaboration and cooperation with other state and local agencies

Cluster Services – Used for the funding of services for Clark County children and youth deemed in need of residential treatment, therapeutic foster care services or community based, wrap around services.

3. CHANGE IN FISCAL AGENTS

The Council changed its fiscal agent from Clark County Educational Service Center to Clark County Department of Job and Family Services during July 2002. This change resulted in some difference in accounting treatment. Miscellaneous receipts posted in General Fund were posted as a reduction in expenditures by the Educational Service Center. However, the changes did not require a restatement of fund balance.

4. EQUITY IN POOLED CASH AND INVESTMENTS

The Clark County Department of Job and Family Services serves as fiscal agent for the Council, all of the Council's funds are commingled with Clark County's. The County Treasurer is responsible for maintaining adequate depository collateral for all funds in the Council's pooled cash and investment amounts.

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

To the Board of Trustees:

We have audited the financial statements of the Clark County Family and Children First Council (the Council) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 16, 2004. 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 documentation 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 certain immaterial instances of noncompliance that we have reported to management of the Council in a separate letter dated June 16, 2004.

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 a matter involving the internal control over financial reporting that does not require inclusion in this report that has been reported to management of the Council in a separate letter dated June 16, 2004.

This report is intended 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 16, 2004

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

**FISCAL YEAR ENDED DECEMBER 31, 2003 AND 2002
SCHEDULE OF PRIOR AUDIT FINDINGS**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer</u> Valid; <i>Explain:</i>
2001-60312-001	Posting and Reporting proper fund balances – the Council erroneously posted money transferred from previous fiscal agent to new fiscal agent in wrong fund.	Yes	



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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 13, 2004**