



**FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

SINGLE AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1998 - 1997



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 1998	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 1997	4
Notes to the Financial Statements	5
Schedule of Federal Awards Expenditures For the Year Ended December 31, 1998	9
Schedule of Federal Awards Expenditures For the Year Ended December 31, 1997	10
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11
Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control over Compliance in Accordance with OMB Circular A-133	13
Schedule of Findings	15

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REPORT OF INDEPENDENT ACCOUNTANTS

Family and Children First Council
Franklin County
1951 Gantz Road
Cottage 8
Grove City, Ohio 43123

We have audited the accompanying financial statements of the Family and Children First Council, Franklin County, Ohio, (the Council) as of and for the years ended December 31, 1998 and December 31, 1997. 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 generally accepted auditing standards and *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 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 presents fairly, in all material respects, the combined fund cash balances of the Council as of December 31, 1998 and December 31, 1997, and its combined cash receipts and disbursements for the years then ended on the basis accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 1999, 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.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Council taken as a whole. The accompanying schedules of federal awards expenditures are presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the management, Council members 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.

JIM PETRO
Auditor of State

December 30, 1999

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only) Total</u>
Cash Receipts:			
Intergovernmental	\$200,017	\$1,804,084	\$2,004,101
Reimbursements	158	0	158
Total Cash Receipts	<u>200,175</u>	<u>1,804,084</u>	<u>2,004,259</u>
Cash Disbursements:			
Personnel Services	99,834	27,000	126,834
Supplies and Materials	4,892	125,297	130,189
Services & Charges	79,664	0	79,664
Contract Services	0	1,470,535	1,470,535
Total Cash Disbursements	<u>184,390</u>	<u>1,622,832</u>	<u>1,807,222</u>
Total Cash Receipts Over/(Under) Cash Disbursements	15,785	181,252	197,037
Fund Cash Balances, January 1, 1998	<u>98,804</u>	<u>692,377</u>	<u>791,181</u>
Fund Cash Balances, December 31, 1998	<u><u>\$114,589</u></u>	<u><u>\$873,629</u></u>	<u><u>\$988,218</u></u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1997**

	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only) Total</u>
Cash Receipts:			
Intergovernmental	\$272,826	\$1,732,165	\$2,004,991
Reimbursements	<u>2,192</u>	<u>0</u>	<u>2,192</u>
Total Cash Receipts	<u>275,018</u>	<u>1,732,165</u>	<u>2,007,183</u>
Cash Disbursements:			
Personnel Services	105,627	18,500	124,127
Supplies and Materials	6,137	0	6,137
Services & Charges	84,032	8,556	92,588
Contract Services	<u>0</u>	<u>1,471,744</u>	<u>1,471,744</u>
Total Cash Disbursements	<u>195,796</u>	<u>1,498,800</u>	<u>1,694,596</u>
Total Cash Receipts Over/(Under) Cash Disbursements	79,222	233,365	312,587
Fund Cash Balances, January 1, 1997	<u>19,582</u>	<u>459,012</u>	<u>478,594</u>
Fund Cash Balances, December 31, 1997	<u><u>\$98,804</u></u>	<u><u>\$692,377</u></u>	<u><u>\$791,181</u></u>

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

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Section 121.37, Revised Code, created the Ohio Family and Children First Cabinet Council permitting counties to establish county family and children first councils. Statutory membership of the council consists of the following individuals:

- a. At least three individuals whose families are or have received services from an agency which is represented on the council. If possible, twenty per cent of the council's membership should consist of members representing families.
- b. The director of the community mental health board.
- c. 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.
- d. 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.
- e. The director of the county department of human services.
- f. The executive director of the county children's services board.
- g. The superintendent for the county board of MRDD.
- h. The administrative or the judge senior in service or his designee for the county's juvenile court.
- i. The superintendent of the city, exempted village, or local school district with the largest numbers of pupils residing in the county.
- j. The school superintendent representing all other school districts within the territory in the county, as designated at a biennial meeting of the superintendents of those districts.
- k. A representative of the municipal corporation with the largest population in the county.
- l. The chair of the board of county commissioners or a designee.
- m. A representative from the regional office of the Ohio Department of Youth Services.
- n. A representative of the county's head start agencies.
- o. A representative of the county's early intervention collaborative.
- p. A representative of the local nonprofit entity that funds, advocates or provide services to children and families.

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";

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

- e. Maintain an accountability system to monitor the council's progress in achieving its purposes;
- d. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

B. Cabinet

Kids in Different Systems (KIDS) was established in 1991. This organization served as a County Council, however, lacked Council membership as required by Ohio Revised Code Section 121.37. In September of 1996, the Franklin County Children's Cabinet added the necessary membership to become a County Council. Although legally a County Council, the Council continues to refer to themselves as Kids in Different Systems.

C. Steering Committee

The Steering Committee, which is referred to as the KIDS Steering Committee, acts on behalf of the Council. This Committee consists of representatives of the Cabinet membership which existed prior to September of 1996. Committee responsibilities include 1) administration of locally-generated pooled funds for the inter-system children; 2) identifying service gaps and developing recommendations to fill the gaps; and 3) any other Council activities which they have been assigned by the Council, such as developing the County Service Coordination Plan.

D. Finance Committee

The Council's Finance Committee consists of members appointed by the Steering Committee. The Committee approves bills for payment and reviews monthly financial reports submitted by the fiscal manager.

E. 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.

F. 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:

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.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Fund Accounting

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 Early Start Fund - This fund is used to account for receipts and expenditures of the Council's Ohio Early Start Grant.

Family Stability Fund - This fund is used to account for receipts and expenditures of the Council's Family Preservation and Support Services Gant.

Wellness Block Grant Fund - This fund is used to account for receipts and expenditures of the Council's Wellness Block Grant.

H. Fiscal Agent

The Council designated the Franklin County Auditor as the fiscal agent for all funds received in the name of the Council. The ADAMH Board and the Franklin County Department of Human Services have been designated as the administrative agents.

I. Equity in Pooled Cash

The Council's cash and investments are maintained by the County, its statutory fiscal agent. The Ohio Revised Code prescribes allowable deposits and investments, and the County is responsible for compliance. As of December 31, 1998 and December 31, 1997, the Council's share of the County's Cash and Investments pool was \$988,218 and \$791,181 respectively. Any risk associated with such deposits is the responsibility of Franklin County.

2. YEAR 2000 ISSUE

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operations as early as fiscal 1999.

The Franklin County Family and Children First Council relies on Franklin County, its fiscal agent, for all computerized financial accounting and reporting systems. Franklin County also provides office space (including HVAC services) to the Council. The Council does not operate mission critical systems. Franklin County is responsible for remediation of these financial accounting and reporting systems utilized by the Council.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the County is or will be Year 2000 ready, that the County's remediation efforts will be successful in whole or in part, or that parties with whom the County does business will be year 2000 ready.

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**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDING DECEMBER 31, 1998**

Federal Grantor/ Pass through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
US Dept of Health and Human Services			
<i>Passed through Ohio Dept Mental Health</i>			
Family Preservation and Support Services	17-CS-98-01	93.556	594,856
Total Dept of Health and Human Services			594,856
Total Federal Awards Expenditures			594,856

Notes to the Schedule of Federal Awards Expenditures

(A) Significant Accounting Policies

The accompanying Schedule of Federal Awards Expenditures includes the federal grant activity of the Council and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDING DECEMBER 31, 1997**

Federal Grantor/ Pass through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
US Dept of Health and Human Services			
<i>Passed through Ohio Dept Mental Health</i>			
Family Preservation and Support Services	17-CS-98-01	93.556	724,337
Total Dept of Health and Human Services			724,337
Total Federal Awards Expenditures			724,337

Notes to the Schedule of Federal Awards Expenditures

(A) Significant Accounting Policies

The accompanying Schedule of Federal Awards Expenditures includes the federal grant activity of the Council and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.



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

Family and Children First Council
Franklin County
1951 Gantz Road
Cottage 8
Grove City, Ohio 43123

We have audited the accompanying financial statements of the Family and Children First Council, Franklin County, Ohio, (the Council) as of and for the years ended December 31, 1998 and December 31, 1997, and have issued our report thereon dated December 30, 1999. We conducted our audits in accordance with generally accepted auditing standards 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*.

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. 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 December 30, 1999.

This report is intended for the information and use of the management, Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

JIM PETRO
Auditor of State

December 30, 1999



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Family and Children First Council
Franklin County
1951 Gantz Road
Cottage 8
Grove City, Ohio 43123

Compliance

We have audited the compliance of the Family and Children First Council, Franklin County, Ohio, (the Council) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 1998 and December 31, 1997. The Council's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audits.

We conducted our audits of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audits to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinion. Our audits do not provide a legal determination on the Council's compliance with those requirements.

In our opinion, the Council complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 1998 and December 31, 1997.

Internal Control Over Compliance

The management of the Council is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audits, we considered the Council's internal control over compliance with requirements that could have a direct and material effect on the major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the management, Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

JIM PETRO
Auditor of State

December 30, 1999

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505**

DECEMBER 31, 1998 AND DECEMBER 31, 1997

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	1998 - Family Preservation and Support Services - CFDA # 93.556 1997 - Family Preservation and Support Services - CFDA # 93.556
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



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FAMILY AND CHILDREN FIRST COUNCIL

FRANKLIN 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
FEBRUARY 24, 2000**