



**FAMILY AND CHILDREN FIRST COUNCIL  
GUERNSEY COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

Family and Children First Council  
Guernsey County  
P.O. Box 636  
Cambridge, Ohio 43725

To the Members of Council:

We have audited the accompanying financial statements of the Family and Children First Council, Guernsey 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 audit.

We conducted our audit 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. 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 Family and Children First Council, Guernsey County, as of December 31, 1998 and December 31, 1997, 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 December 17, 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.

This report is intended solely for the information and use of management, the Council, the administrative agent, 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, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

December 17, 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>Governmental Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$38,500	\$347,980	\$386,480
Total Cash Receipts	<u>38,500</u>	<u>347,980</u>	<u>386,480</u>
<b>Cash Disbursements:</b>			
Supplies/Materials	15	9,510	9,525
Travel/Expenses	0	75	75
Conferences/Training	125	3,019	3,144
Equipment	0	4,621	4,621
Contracted Services	13,968	254,319	268,287
Refund to State	0	6,212	6,212
Miscellaneous	140	381	521
Total Cash Disbursements	<u>14,248</u>	<u>278,137</u>	<u>292,385</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	<u>24,252</u>	<u>69,843</u>	<u>94,095</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-in	0	2,500	2,500
Transfers-out	(2,500)	0	(2,500)
Total Other Financing Receipts/(Disbursements)	<u>(2,500)</u>	<u>2,500</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disburse	21,752	72,343	94,095
Fund Cash Balances, January 1	<u>(1,374)</u>	<u>33,645</u>	<u>32,271</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$20,378</u></u></b>	<b><u><u>\$105,988</u></u></b>	<b><u><u>\$126,366</u></u></b>

*The notes to the financial statement 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>Governmental Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$32,000	\$258,756	\$290,756
Local Agency Contributions/Donations	0	375	375
Total Cash Receipts	<u>32,000</u>	<u>259,131</u>	<u>291,131</u>
<b>Cash Disbursements:</b>			
Supplies/Materials	306	5,897	6,203
Travel/Expenses	0	661	661
Conferences/Training	450	6,501	6,951
Equipment	0	11,570	11,570
Contracted Services	27,373	209,220	236,593
Refund to State	0	12,461	12,461
Miscellaneous	0	173	173
Total Cash Disbursements	<u>28,129</u>	<u>246,483</u>	<u>274,612</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	<u>3,871</u>	<u>12,648</u>	<u>16,519</u>
Fund Cash Balances, January 1 (Restated Note 3)	<u>(5,245)</u>	<u>20,997</u>	<u>15,752</u>
<b>Fund Cash Balances, December 31</b>	<b><u>(\$1,374)</u></b>	<b><u>\$33,645</u></b>	<b><u>\$32,271</u></b>

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



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

**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 3303.31 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 interest of families in the County. Where possible, the number of members representing families shall be equal to twenty percent 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.

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

**1. DESCRIPTION OF THE ENTITY (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. Participants 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;
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the County system.

**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. The Council classifies its funds into the following types:

**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 restricted.

**Special Revenue Funds**

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Fund Accounting (Continued)**

**Special Revenue Funds (Continued)**

The Council maintains a separate special revenue fund for each program that is awarded to the Council that is either entirely or partially funded from federal sources. During 1998 and 1997, the following programs were awarded to the Council: Ohio Wellness Block Grant, Early Start, Early Start Expansion, Family Stability, Abstinence Education and Ohio Family and Children First Trust Fund.

**C. Fiscal Agent**

During the period September 1, 1997 through December 31, 1998, Guernsey County Department of Human Services served as fiscal agent for the Council. Thompkins Child and Adolescent Services served as fiscal agent from January 1, 1997 through August 31, 1997.

**3. RESTATEMENT OF PRIOR YEAR BALANCES**

A prior period adjustment was made to the General and Special Revenue Fund types fund balances due to previously unrecorded revenues and expenditures. The General Fund increased from (\$9,143) to (\$5,245) and the Special Revenue Fund from \$16,601 to \$20,997, as of January 1, 1997.

**4. EQUITY IN POOLED CASH**

The Guernsey County Department of Human Services is part of the cash pool used by all of Guernsey County's funds, including those of the Guernsey County Family and Children First Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with Guernsey County at December 31, 1998 and December 31, 1997, was \$126,366 and \$32,271, respectively. Guernsey County is responsible for maintaining adequate depository collateral for all funds in the Guernsey County pooled and deposit accounts .

**5. DEFINED BENEFIT PENSION PLANS**

The coordinator is currently employed on a contracted service basis; therefore, the Council does not contribute to any defined benefit pension plans.

**6. YEAR 2000 ISSUE**

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

The Council has completed the inventory of computer systems and other electronic equipment necessary to conducting Council operations. The Council has identified the following systems requiring the Year 2000 remediation:

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

**6. YEAR 2000 ISSUE** (Continued)

Accounting and financial reporting are handled by Guernsey County and the County Auditor since the County's Department of Human Services is the fiscal agent for the Council. The County is currently assessing these systems. Assessment of these systems were yet to be completed as of December 31, 1998; however, as of June 1, 1999, the County has begun remediation of these systems. Testing and validation will occur after remediation of these systems is completed.

The State of Ohio distributes a substantial sum of money to the Council. The State of Ohio is responsible for remediating these systems.

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 Council is or will be Year 2000 ready, that the Council's remediation efforts will be successful in whole or in part, or that parties with whom the Council does business will be Year 2000 ready.



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

Family and Children First Council  
Guernsey County  
P.O. Box 636  
Cambridge, Ohio 43725

To the Members of Council:

We have audited the accompanying financial statements of the Family and Children First Council, Guernsey 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 17, 1999. We conducted our audit 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 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 a certain immaterial instance of noncompliance that we have reported to management of the Council in a separate letter dated December 17, 1999.

**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 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 17, 1999.

This report is intended for the information and use of the Council, management, and the administrative agent, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

December 17, 1999



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OFFICE OF THE AUDITOR

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**FAMILY AND CHILDREN FIRST COUNCIL**

**GUERNSEY 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  
JANUARY 18, 2000**