



**MADISON COUNTY FAMILY & CHILDREN FIRST COUNCIL
MADISON COUNTY**

REGULAR AUDIT

FOR FISCAL YEARS ENDED DECEMBER 31, 1998 -1997



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Madison County Family Council
Madison County
200 Midway Street
P.O. Box 912
London, Ohio 43140

We have audited the accompanying financial statements of the Madison County Family Council, Madison 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 present fairly, in all material respects, the combined fund cash balance 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 of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 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 the management, the Council 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

November 19, 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	20,000	147,565	167,565
Miscellaneous	10,840	5,877	16,717
Total cash receipts	<u>30,840</u>	<u>153,442</u>	<u>184,282</u>
Cash Disbursements:			
Current:			
Salaries and Benefits	37,114	0	37,114
Supplies	3,659	0	3,659
Contract Services	11,464	145,022	156,486
Travel/Training	1,316	0	1,316
Other/Insurance	2,317	0	2,317
Total cash disbursements	<u>55,870</u>	<u>145,022</u>	<u>200,892</u>
Total cash receipts over/(under) cash disbursements	(25,030)	8,420	(16,610)
Fund cash balances, January 1, 1998	<u>61,392</u>	<u>19,674</u>	<u>81,066</u>
Fund cash balances, December 31, 1998	<u><u>\$36,362</u></u>	<u><u>\$28,094</u></u>	<u><u>\$64,456</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	18,500	145,935	164,435
Miscellaneous	<u>51,004</u>	<u>1,484</u>	<u>52,488</u>
Total cash receipts	<u>69,504</u>	<u>147,419</u>	<u>216,923</u>
Cash Disbursements:			
Current:			
Salaries and Benefits	32,897	0	32,897
Supplies	1,416	0	1,416
Contract Services	16,882	140,744	157,626
Travel/Training	1,084	0	1,084
Other/Insurance	<u>1,920</u>	<u>0</u>	<u>1,920</u>
Total cash disbursements	<u>54,199</u>	<u>140,744</u>	<u>194,943</u>
Total cash receipts over/(under) cash disbursements	15,305	6,675	21,980
Fund cash balances, January 1, 1997	<u>46,087</u>	<u>12,999</u>	<u>59,086</u>
Fund cash balances, December 31, 1997	<u><u>\$61,392</u></u>	<u><u>\$19,674</u></u>	<u><u>\$81,066</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, Ohio Rev Code, created the Ohio Madison County Family 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;

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Description of the Entity (continued)

- 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";
- 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.

B. 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.

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The Council uses fund accounting to segregate cash that is 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.

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:

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

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

D. Fiscal Agent

The Council designated the Madison County Auditor as the fiscal agent for all funds received in the name of the Council. The Council designated the Madison County Commissioners as the administrative agent.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Equity in Pooled Cash

Madison County (the fiscal agent of the Council) maintains a cash and investments pool used by all funds and special districts for which the County acts as fiscal agent. The Ohio Revised Code prescribes allowable deposits and investments and the County is responsible for compliance. The carrying amount of cash reported by the fiscal agent at December 31 was as follows:

	1998	1997
Demand deposits	\$64,456	\$81,066
Total deposits	64,456	81,066

All risks associated with the above deposits are the responsibility of Madison 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 Council's operations as early as fiscal 1999.

The Madison County Family Council relies on Madison County, its fiscal agent, for all computerized financial accounting and reporting systems. Madison County also provides office space (including HVAC services) to the Council. The Council does not operate mission critical systems. Madison 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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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Madison County Family Council
Madison County
200 Midway Street
P.O. Box 912
London, Ohio 43140

We have audited the financial statements of the Madison County Family Council, Madison 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 November 19, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of finding as item 1998-60649-001.

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 November 19, 1999.

Madison County Family Council
Madison County
Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of
Financial Statements Performed in Accordance
With *Government Auditing Standards*
Page 2

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

JIM PETRO
Auditor of State

November 19, 1999

**SCHEDULE OF FINDING
DECEMBER 31, 1998 AND 1997**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	1998-60649-001
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Finding for Recovery - Repaid Under Audit

Overpayment of Accrued Leave

In June of 1998, Ms. Melissa Follrod, a former employee of the Council, was overpaid \$129.78 for accrued leave when ending her employment with the Council.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Ms. Melissa Follrod in the amount identified above and in favor of the Council's General Fund.

The Auditor of State has verified that Ms. Melissa Follrod repaid the Council in the above amount on November 22, 1999.



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FAMILY AND CHILDREN FIRST COUNCIL

MADISON 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 25, 2000**