



**FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

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, 2000	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9
Schedule of Findings	11

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REPORT OF INDEPENDENT ACCOUNTANTS

Family and Children First Council
Greene County
158 East Main Street
Xenia, Ohio 45385

We have audited the accompanying financial statements of the Family and Children First Council, Greene County, (the Council) as of and for the years ended December 31, 2000 and 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 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, Greene County, as of December 31, 2000 and 1999, 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 5, 2001 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, and 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

June 5, 2001

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Intergovernmental	\$99,409	\$974,069	\$1,073,478
Miscellaneous	126	2,527	2,653
Total Cash Receipts	99,535	976,596	1,076,131
Cash Disbursements:			
Salary/Benefits	99,643	211,071	310,714
Utilities	141	4,679	4,820
Contractual Services	1,313	870,789	872,102
Supplies and Materials	565	20,821	21,386
Equipment	1,009	16,738	17,747
Financial Assistance		19,813	19,813
Intergovernmental		20,755	
Reimbursement		27,823	27,823
Miscellaneous	5,399	30,222	35,621
Total Cash Disbursements	108,070	1,222,711	1,310,026
Total Receipts Over/(Under) Disbursements	(8,535)	(246,115)	(233,895)
Other Financing Receipts/(Disbursements):			
Transfers-In	13	54,904	54,917
Advances-In	15,000	50,000	65,000
Transfers-Out		(54,917)	(54,917)
Advances-Out		(65,000)	(65,000)
Total Other Financing Receipts/(Disbursements)	15,013	(15,013)	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	6,478	(261,128)	(233,895)
Fund Cash Balances, January 1	794	586,100	586,894
Fund Cash Balances, December 31	\$7,272	\$324,972	\$352,999

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

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Intergovernmental	\$151,258	\$1,214,816	\$1,366,074
Miscellaneous	7	5,144	5,151
Total Cash Receipts	151,265	1,219,960	1,371,225
Cash Disbursements:			
Salary/Benefits	114,637	205,660	320,297
Utilities	486	4,935	5,421
Contractual Services	10,592	673,484	684,076
Supplies and Materials	632	26,060	26,692
Equipment	1,192	9,583	10,775
Intergovernmental		45,272	45,272
Reimbursement	20,510	23,805	44,315
Miscellaneous	4,155	22,999	27,154
Total Cash Disbursements	152,204	1,011,798	1,164,002
Total Receipts Over/(Under) Disbursements	(939)	208,162	207,223
Other Financing Receipts/(Disbursements):			
Transfers-In		40,786	40,786
Advances-In		15,000	15,000
Transfers-Out		(40,786)	(40,786)
Advances-Out	(15,000)		(15,000)
Total Other Financing Receipts/(Disbursements)	(15,000)	15,000	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(15,939)	223,162	207,223
Fund Cash Balances, January 1	16,733	362,938	379,671
Fund Cash Balances, December 31	\$794	\$586,100	\$586,894

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

**FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

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 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
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(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. 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.

A. Steering Committee

The Steering Committee acts on behalf of the Council. This Committee consists of representatives from the Eastern Miami Valley ADMHS Board, Greene County Children's Services Board, Greene County MRDD Board, Greene County Juvenile Court, Greene County Human Services, Greene County Educational Service Center, Greene County Combined Health District, the Chair or designee of the Greene County Commissioners, Superintendent of the Beavercreek Local School District, two individuals representing families and four council or organizational members. Committee responsibilities include 1) establish meeting dates, times and location, 2) review and approve or disapprove request for Council support and/or endorsement, and 3) approve or disapprove all requests for membership from non-mandated organizations. The Steering Committee reviews all other committee reports prior to presentation to the Council.

B. Staff Training and Development

The Council's Staff Training and Development Committee consists of a minimum of five organizational council members and one member representing families. The Committee is responsible for identifying staff training and development needs and for establishing a cross training program. The results of these activities are presented to the Steering Committee for review.

**FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. DESCRIPTION OF THE ENTITY (Continued)

C. Audit/Finance

This Committee consists of representatives from the Eastern Miami Valley ADMHS Board, Greene County Children's Services Board, Greene County MRDD Board, Greene County Juvenile Court, Greene County Educational Service Center, the Chair or designee of the Greene County Commissioners, Parents; and Greene County Office of Management and Budget. The Committee is responsibilities include 1) viewing the process used to prepare interim financial information submitted to the council, 2) reviewing audit results, 3) assure auditor's independence from management, 4) serve as liaison between management and independent auditors, 5) monitor the council's financial reporting and control activities, and 6) address long-range funding and fiscal issues.

D. Parent Involvement

The Council's Parent Involvement Committee consists of all Council members who are representing families. The Committee shall promote the inclusion of a parent/family perspective in Council and Committee activities. In addition, the Committee shall review and approve or disapprove applications for Council membership from individuals. The results of these activities are presented to the Steering Committee for review.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared on the cash basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred.

A. 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:

1. 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. During the periods ended December 31, 2000 and 1999, the General Fund had the following sources of funding:

Intergovernmental Receipts - Funds received from Administration Grants and Greene County agencies.

**FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Special Revenue Funds

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

The Council maintains a separate special revenue fund for each program which is awarded to the Council that is either entirely or partially funded from federal sources.

B. Fiscal Agent

The Council designates administrative arms for all funds received in the name of the Council. During 2000 and 1999, the designated administrative and fiscal agent was the Greene County Board of Commissioners.

C. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid and are not reflected as assets on the accompanying financial statements. During 2000 and 1999, the Council made equipment purchases of \$17,747 and \$10,775 respectively.

3. EQUITY IN POOLED CASH

The Greene County Auditor maintains a cash pool used by all of the county's funds, including those of the Family and Children First Council. The Ohio Revised Code prescribes allowable deposits and investments.

The Greene County Auditor, as the ultimate fiscal agent for Council funds is responsible for maintaining adequate depository collateral for all funds in Greene County's pooled and deposit accounts. The Council's carrying amount of cash on deposit with Greene County at December 31, 2000, was \$352,999 and at December 31, 1999, was \$ 586,894.

4. RETIREMENT SYSTEMS

Council employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

PERS members contributed 8.5% of their gross salaries. The Council contributed an amount equal to 13.55 % of participants' gross salaries (for 1999) and 10.84% of participants' gross salaries (for 2000) The Council has paid all contributions required through December 31, 2000.



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

Family and Children First Council
Greene County
158 East Main Street
Xenia, Ohio 45385

We have audited the financial statements of the Greene County Family and Children First Council (the Council) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 5, 2001. 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 an immaterial instance of noncompliance that we have reported to management of the Council in a separate letter dated June 5, 2001.

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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Council's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2000-60329-001 through 2000-60329-003.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

Family and Children First Council
Greene County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

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

Jim Petro
Auditor of State

June 5, 2001

**FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000**

Finding Number 2000-60329-001	
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The Council reported transfers-in of \$54,917 in 2000 and \$40,786 in 1999, and advances-in of \$65,000 in 2000 and \$15,000 in 1999, as intergovernmental revenue which overstated the amount of intergovernmental revenue, and understated transfers/advances in. (These adjustments were posted to the accompanying financial statements) It also did not reflect the true source of revenues flowing into the FCFC. The Council should accurately record transfers and advances to properly reflect its financial activity and sources of revenue.

Finding Number 2000-60329-002	
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The Council utilized one fund to account for the administrative financial activity of both the Council and Greene County (Family Relations Services, Parent Support and Family First Resources Violation Centers) and then divided the costs between these two functions. The Council and the County are two separate entities and the allocation was based upon an estimate and the use of one fund increased the difficulty in allocating expenditures.

Failure to be able to determine which monies are applicable to a specific function could result in funds being expended for purposes that they were not intended such as the Council paying for County functions. To reduce this risk, a separate fund should be established for the administrative financial activity of the Council and for each of the County's function to reduce the possibility of a mis-allocation.

Finding Number 2000-60329-003	
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The basis for the cost allocation of expenditures between Council and County functions was not consistent or based upon an approved method. Transfers, advances and direct costs are to be backed out prior to the allocation. Once determined, these costs were re-evaluated at the end of each month to determine the correct percentage of allocation. This method did not provide consistency for the Council or County to adequately budget for these expenditures.

Both the Council and County should be able to budget for these expenditures to set aside resources for these expenditures. A formal method of allocation should be developed and implemented to provide consistency in the allocation of expenditures and improve the ability of both entities to budget for this activity.



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FAMILY AND CHILDREN FIRST COUNCIL

GREENE 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 3, 2001**