



**FAMILY AND CHILDREN FIRST COUNCIL  
HARDIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**



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

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**STATE OF OHIO**



**FAMILY AND CHILDREN FIRST COUNCIL  
HARDIN COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Family and Children First Council  
Hardin County  
405 North Main Street, Suite C  
Kenton, Ohio 43326

To the Council Members:

We have audited the accompanying financial statements of the Family and Children First Council, Hardin County, (the Council), as of and for the years then 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 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 balances of the Council 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 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 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 when considering the results of our audit.

This report is intended solely for the information and use of the finance committee, management, the 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

May 23, 2001

**FAMILY AND CHILDREN FIRST COUNCIL  
HARDIN 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**

	<b>Governmental Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	
<b>Cash Receipts:</b>			
Intergovernmental	\$43,125	\$310,741	\$353,866
<b>Cash Disbursements:</b>			
Current:			
Salaries/Wages	11,000	149,681	160,681
Supplies/Operations		5,087	5,087
Equipment		5,639	5,639
Facilities		21,963	21,963
Travel/Conferences	1,063	8,504	9,567
PERS	1,436	15,091	16,527
Workers Compensation	268	279	547
Purchased Services		119,747	119,747
Medicare	160	1,893	2,053
Insurance	2,676	18,565	21,241
 Total Cash Disbursements	 16,603	 346,449	 363,052
 Total Receipts Over/(Under) Disbursements	 26,522	 (35,708)	 (9,186)
<b>Other Financing Receipts/(Disbursements):</b>			
Advances-In	17,939	33,140	51,079
Advances-Out	(19,500)	(31,579)	(51,079)
 Total Other Financing Receipts/(Disbursements)	 (1,561)	 1,561	 0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 24,961	 (34,147)	 (9,186)
 Fund Cash Balances, January 1	 5,839	 116,866	 122,705
 <b>Fund Cash Balances, December 31</b>	 <b>\$30,800</b>	 <b>\$82,719</b>	 <b>\$113,519</b>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
HARDIN 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**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$26,013	\$225,742	\$251,755
<b>Cash Disbursements:</b>			
Current:			
Salaries/Wages	22,700	69,217	91,917
Supplies/Operations	34	12,797	12,831
Equipment		6,825	6,825
Facilities		11,700	11,700
Travel/Conferences	268	6,287	6,555
PERS	1,478	4,910	6,388
Purchased Services	829	71,569	72,398
Total Cash Disbursements	25,309	183,305	208,614
Total Receipts Over Disbursements	704	42,437	43,141
<b>Other Financing Receipts/(Disbursements):</b>			
Advances-In	5,000	12,588	17,588
Advances-Out	(6,000)	(11,588)	(17,588)
Total Other Financing Receipts/(Disbursements)	(1,000)	1,000	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(296)	43,437	43,141
Fund Cash Balances, January 1	6,135	73,429	79,564
<b>Fund Cash Balances, December 31</b>	<u>\$5,839</u>	<u>\$116,866</u>	<u>\$122,705</u>

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



**FAMILY AND CHILDREN FIRST COUNCIL  
HARDIN COUNTY**

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

**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 and permitted counties to establish county family and children first councils. Statutory membership of a county 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.

**FAMILY AND CHILDREN FIRST COUNCIL  
HARDIN COUNTY**

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

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

A county family and children first council may invite any other local public or private Council 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";
- (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 following committees have been established to meet Council's statutory requirements:

**Finance Committee:** The committee reviews periodic financial reports submitted by the Council coordinator and Council fiscal agent. The committee also performs an annual internal audit of all funds under the control of Council.

**Membership Committee:** Established to recruit and facilitate participation of families, churches, businesses, and community agencies to promote community membership in Council activities. Responsibilities include recruiting new members, developing an orientation process for new members, and increasing membership.

**Wellness Block Grant:** Teen Pregnancy Prevention Committee: Established to select, implement, monitor, and evaluate appropriate programs for the Wellness Block Grant funds focusing on teen pregnancy prevention; to serve the primary stated focus of the grant, while supporting the community's wellness through the use of a variety of prevention and intervention programs, to recommend future programming based on the results of the evaluation.

**Executive Committee:** Established to meet in the event Council decisions need to be acted upon prior to the next scheduled Council meeting. The executive Committee's membership consists of the Council's Chairperson, the Council Coordinator, and the Chairpersons of the Council Standing Committees as outlined above.

**FAMILY AND CHILDREN FIRST COUNCIL  
HARDIN COUNTY**

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

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

**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.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

The County Auditor acts as fiscal agent for the Council and the County Treasurer maintains a cash and investment pool used by all County funds.

**D. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**E. 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. It is used to account for all financial resources except those required by law or contract to be restricted.

**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 state sources. The Council had the following significant Special Revenue Funds:

**Wellness Block Grant Indicator I** - The Wellness Block Grant is administered by the Ohio Family and Children First Initiative in collaboration with the Ohio Children's Trust Fund. It represents Ohio's response to providing an opportunity for county partners to shape their own programmatic efforts and customize strategies to meet local challenges. The goal of the wellness initiative is to focus funding on prevention efforts in order to get ahead of problems that have far-reaching and lasting consequences. Indicator I focuses on teen pregnancy prevention.

**FAMILY AND CHILDREN FIRST COUNCIL  
HARDIN COUNTY**

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

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

**Early Start** - The Hardin Count Family and Children First Council was awarded this funding to provide direct services to children ages birth to three who are at significant developmental risk, and their families.

**Family Stability Incentive** - The Family Stability program is funded through a grant from the Ohio Department of Mental Health, through Hardin County Family Children First, that aims to decrease the out-of-home placements rate of youths in Hardin County.

**F. Budgetary Process**

ORC 121.37B-4 states that the Council should file an annual budget with their administrative agent.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**G. Fiscal Agent**

The Hardin County Auditor has been designated by the Council to serve as the fiscal agent. Council funds are maintained in separate agency funds in the County.

**H. Administrative Agent**

The Hardin County Commissioners have been designated by the Council to serve as the administrative agent.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Ohio Revised Code prescribes allowable deposits and investments.

The Hardin County Auditor acts as fiscal agent and the County Treasurer maintains a cash and investment pool used by all County funds. The carrying amount for the Council's portion of cash and investments on the records of the County Auditor as of December 31 2000, and 1999 was as follows:

	<b>2000</b>	<b>1999</b>
Demand Deposits	<u>\$113,519</u>	<u>\$122,705</u>

**Deposits:**

Deposits held by the Hardin County Treasurer are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the County or (3) collateralized by the financial institution's public entity deposit pool.

**FAMILY AND CHILDREN FIRST COUNCIL  
HARDIN COUNTY**

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$40,000	\$43,125	\$3,125
Special Revenue	332,824	310,741	(22,083)
Total	\$372,824	\$353,866	(\$18,958)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$36,104	\$16,603	\$19,501
Special Revenue	378,025	346,449	31,576
Total	\$414,129	\$363,052	\$51,077

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$341,832	\$26,013	(\$315,819)
Special Revenue	438,818	225,742	(213,076)
Total	\$780,650	\$251,755	(\$528,895)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$141,682	\$25,309	\$116,373
Special Revenue	203,883	183,305	20,578
Total	\$345,565	\$208,614	\$136,951

**4. RISK MANAGEMENT**

The Council has obtained liability and property insurance coverage through a private carrier.

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

Family and Children First Council  
Hardin County  
405 North Main Street, Suite C  
Kenton, Ohio 43326

To the Council Members:

We have audited the financial statements of the Family and Children First Council, Hardin County, (the Council), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 23, 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 May 23, 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. 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 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 May 23, 2001.

Family and Children First Council  
Hardin County  
Report of Independent Accountants on Compliance and  
on Internal Control Required by *Government Auditing Standards*  
Page 2

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

**Jim Petro**  
Auditor of State

May 23, 2001



**FAMILY AND CHILDREN FIRST COUNCIL  
HARDIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2000 AND 1999**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid: Explain:</u>
1998-60233-001	26 CFR Section 31.3401 (Withholding of taxes) & ORC 145.03 (membership in PERS)	Yes	Corrected





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**FAMILY AND CHILDREN FIRST COUNCIL**

**HARDIN 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**