



**HOLMES COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HOLMES COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

HOLMES COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HOLMES COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Holmes County Family and Children First Council
Holmes County
85 N. Grant Street
P. O. Box 72
Millersburg, OH 44654

To the Executive Committee:

We have audited the accompanying financial statements of the Holmes County Family and Children First Council, Holmes County, Ohio, (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 audits.

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. 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 described 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 Holmes County Family and Children First Council, Holmes 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 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 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 audits.

This report is intended solely for the information and use of management, the Executive Committee and other officials authorized to receive this report under § 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 1, 2001

**HOLMES COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HOLMES 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**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$40,000	\$123,553	\$163,553
Pooled Funding	246,175	0	246,175
Local Membership	26,717	0	26,717
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	312,892	123,553	436,445
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Contract Services	131,673	161,406	293,079
Personnel	42,465	0	42,465
Miscellaneous	509	0	509
Return of Unused Grant Funds	0	3,357	3,357
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	174,647	164,763	339,410
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	138,245	(41,210)	97,035
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	232,162	52,066	284,228
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$370,407</u>	<u>\$10,856</u>	<u>\$381,263</u>

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

**HOLMES COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HOLMES 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$20,000	\$190,704	\$210,704
Pooled Funding	233,935	0	233,935
Local Membership	27,068	0	27,068
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	281,003	190,704	471,707
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Contract Services	213,122	159,088	372,210
Personnel	37,127	0	37,127
Miscellaneous	7,236	0	7,236
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	257,485	159,088	416,573
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over Cash Disbursements	23,518	31,616	55,134
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	208,644	20,450	229,094
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$232,162</u>	<u>\$52,066</u>	<u>\$284,228</u>

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

**HOLMES COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HOLMES 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 Council and permitted counties to establish county family and children first councils. Statutory membership of a county council consists of the following individuals:

1. 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 drug and alcohol addiction services and a community mental health board, the directors of both boards;
2. The health commissioner of the board of health of each city or general health district;
3. The director of the county department of job and family services;
4. The executive director of the county agency responsible for the administration of children services pursuant to Section 5153.15, Revised Code;
5. The superintendent of the county board of mental retardation and developmental disabilities;
6. The county juvenile court judge senior in service;
7. The superintendent of the city, exempted village, or local school district with the largest number of students residing in the county, as determined by the department of education, which shall notify each county of its determination at least biennially;
8. 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;
9. A representative of the largest city of the county;
10. The chair of the board of county commissioners, or an individual designated by the board;
11. A representative of the regional office of the department of youth services;
12. A representative of the county's head start agencies, as defined in section 3301.31 of the Revised Code;
13. 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"; and
14. At least three individuals representing the interests of families in the county. Where possible, the number of members representing families shall be equal to 20 percent of the council's remaining membership.

**HOLMES COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HOLMES COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Description of the Entity (Continued)

In addition, 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:

1. Refer to the State cabinet council those children for whom the council cannot provide adequate services;
2. Make periodic reports to the State cabinet council regarding the number of children referred to the county council and the progress made in meeting the needs of each child;
3. 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;
4. 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";
5. Maintain an accountability system to monitor the council's progress in achieving its purposes; and
6. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

The Holmes County Family and Children First Council (the Council) was officially created on October 3, 1995 by proclamation of the Governor of the State of Ohio.

The Holmes County Department of Job and Family Services serves as the administrative agent for the Council, and the Holmes County Auditor is the designated fiscal agent for the Council. The County Auditor maintains the Council's funds in a special revenue fund on the County's financial records.

The Council's management believes these financial statements present all activities for which the Council is financially accountable.

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.

**HOLMES COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HOLMES COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Cash

The Holmes County Auditor maintains a cash pool used by all of the County's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the County at December 31, 2000 and 1999, was \$381,263 and \$284,228, respectively. The Holmes County Treasurer is responsible for maintaining adequate depository collateral for all funds in the Holmes County's pooled deposit accounts and ensuring that all monies are invested in accordance with Ohio Revised Code.

D. 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 constraints require the recording of specific receipts and disbursements. The transactions are reflected in a self-balancing group of accounts.

1. General Fund

The General Fund is the general operating fund of the Council.

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 had the following significant Special Revenue Funds:

Family Stability Incentive Fund - This fund receives grant monies to provide family-centered, neighborhood-based intervention services to children.

Welcome Home Grant Fund - This fund receives grant monies for home visits to first time teen parents.

Wellness Block Grant Fund - This fund receives grant monies for services relating to teen pregnancy prevention and parenting classes.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually. The Council must file the budget with its administrative agent, the County Auditor, and the Board of County Commissioners.

F. Contracted Services

The Council Coordinator is a paid employee of Holmes County. The funds used to pay her salary are derived from a state administrative grant and local agency membership contributions received by the Council and are accounted for within a County special revenue fund.

**HOLMES COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HOLMES COUNTY**

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

2. RETIREMENT SYSTEM

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Council contributed an amount equal to 10.84% and 13.55%, respectively, of participants' gross salaries. The Council has paid all contributions required through December 31, 2000.

3. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



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

Holmes County Family and Children First Council
Holmes County
85 N. Grant Street
P. O. Box 72
Millersburg, OH 44654

To the Executive Committee:

We have audited the financial statements of the Holmes County Family and Children First Council, Holmes County, Ohio, (the Council) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 1, 2001. 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*.

However, we noted certain immaterial instances of noncompliance that we have reported to management of the Council in a separate letter dated June 1, 2001.

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.

Holmes County Family and Children First Council
Holmes County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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However, we noted certain 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 June 1, 2001.

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

Jim Petro
Auditor of State

June 1, 2001

**HOLMES COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HOLMES COUNTY
DECEMBER 31, 2000**

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
1998-60938-001	Comprehensive Financial Statements - The Council did not prepare a comprehensive year-end financial statement that mapped the revenue and expenditure activity of the Council.	Yes	



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HOLMES COUNTY FAMILY AND CHILDREN FIRST COUNCIL

HOLMES 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**