



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

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**STATE OF OHIO**



**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Types - For the Year Ended June 30, 2000 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Types - For the Period January 1, 1999 through June 30, 1999 .....	4
Notes to the Financial Statements .....	5
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	8

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street  
Suite 150 E  
Cincinnati, Ohio 45202  
Telephone 513-361-8550  
800-368-7419  
Facsimile 513-361-8577  
www.auditor.state.oh.us

## INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council  
Preble County  
101 East Main Street  
Eaton, OH 45320

To the Executive Council:

We have audited the accompanying financial statements of the Preble County Family and Children First Council, Preble County, Ohio (the Council), as of and for the year ended June 30, 2000, and the period January 1, 1999, through June 30, 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 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.

As described in Note 4, the Council changed its fiscal year end from December 31 to June 30.

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 June 30, 2000 and 1999, and its combined cash receipts and disbursements for the year and six-month period then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2000, 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.

Preble County Family and Children First Council  
Preble County  
Independent Accountants' Report  
Page 2

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

December 20, 2000

**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES -  
FOR THE YEAR ENDED JUNE 30, 2000**

	<b>General</b>	<b>Special Revenue</b>	<b>Totals (Memorandum Only)</b>
<b>Cash receipts:</b>			
Intergovernmental	\$36,190	\$202,674	\$238,864
Interest	2,719		2,719
Miscellaneous	10,100		10,100
Total Cash Receipts	49,009	202,674	251,683
<b>Cash disbursements:</b>			
Current:			
Contract Services	37,210	131,779	168,989
Supplies and Materials	2,228	8,879	11,107
Miscellaneous	218	2,296	2,514
Capital Outlay	2,312	17,933	20,245
Total Cash Disbursements	41,968	160,887	202,855
Total Receipts Over/(Under) Disbursements	7,041	41,787	48,828
Fund Cash Balances, July 1, 1999	38,960	70,489	109,449
<b>Fund Cash Balances, June 30, 2000</b>	<b>\$46,001</b>	<b>\$112,276</b>	<b>\$158,277</b>
Reserves for Encumbrances, June 30, 2000	\$15,921	\$82,956	\$98,877

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

**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES -  
FOR THE PERIOD JANUARY 1, 1999 THROUGH JUNE 30, 1999**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash receipts:</b>			
Intergovernmental	\$20,000	\$64,976	\$84,976
Interest	999		999
Miscellaneous	<u>15,156</u>		<u>15,156</u>
Total Cash Receipts	36,155	64,976	101,131
<b>Cash disbursements:</b>			
Current:			
Contract Services	30,312	78,092	108,404
Supplies and Materials	601	8,303	8,905
Miscellaneous	<u>1,996</u>		<u>1,996</u>
Total Cash Disbursements	<u>32,909</u>	<u>86,395</u>	<u>119,305</u>
Total Receipts Over/(Under) Disbursements	3,245	(21,419)	(18,174)
Fund Cash Balances, January 1, 1999-Restated (Note 3)	<u>35,715</u>	<u>91,908</u>	<u>127,623</u>
<b>Fund Cash Balances, June 30, 1999</b>	<b><u>\$38,960</u></b>	<b><u>\$70,489</u></b>	<b><u>\$109,449</u></b>
Reserves for encumbrances, June 30, 1999	<u>\$11,757</u>	<u>\$25,959</u>	<u>\$37,716</u>

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



**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 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. 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"; and
- 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 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.

**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000 AND 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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; and
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

**B. Organizational Date**

The Preble County Family and Children First Council was organized with the statutory membership on October 3, 1995; however, incurred no financial activity until August 7, 1996.

**C. Basis of Accounting**

This financial statement follows 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.

**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 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:

**FAMILY AND CHILDREN FIRST COUNCIL  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000 AND 1999  
(Continued)**

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

**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.

**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.

**E. Fiscal Agent**

The Council designated a fiscal agent for all funds received in the name of the Council. During 1997, the Preble County Educational Service Center became the designated fiscal agent.

**F. 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 statement.

**2. EQUITY IN POOLED CASH**

The Ohio Revised Code prescribes allowable deposits and investments. The Council's bank deposits are intermingled with its fiscal agent's deposits. The Preble County Educational Service Center, as the ultimate fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all Council funds on deposit.

**3. RESTATEMENT OF FUND BALANCES**

A restatement of cash was due to a fund reclassification and incorrect fund balances. The effect of these changes on the January 1, 1999 fund balances is as follows:

	General	Special Revenue	Total
Fund Balance at December 31, 1998-as previously reported	\$18,598	\$105,556	\$124,154
Restatement	17,117	(13,648)	3,469
Restated Fund Balance at January 1, 1999	\$35,715	\$91,908	\$127,623

**4. CHANGE IN FISCAL YEAR END**

During 1999, the Preble County Family and Children First Council changed its fiscal year end to agree to the fiscal year of the Preble County Educational Service Center, its fiscal agent. The Preble County Family and Children First Council fiscal year changed from January 1 through December 31 to July 1 through June 30.

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JIM PETRO, AUDITOR OF STATE

250 West Court Street  
Suite 150 E  
Cincinnati, Ohio 45202  
Telephone 513-361-8550  
800-368-7419  
Facsimile 513-361-8577  
www.auditor.state.oh.us

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

Family and Children First Council  
Preble County  
101 East Main Street  
Eaton, OH 45320

To the Executive Council:

We have audited the financial statements of Preble County Family and Children First Council, Preble County, Ohio (the Council), as of and for the year ended June 30, 2000, and the period January 1, 1999 through June 30, 1999, and have issued our report thereon dated December 20, 2000. The report includes a disclosure about the Council's change in fiscal year as described in Note 4. 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*.

**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 certain matter involving the internal control over financial reporting that does not require inclusion in this report that we have reported to management of the Council in a separate letter dated December 20, 2000.

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

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

December 20, 2000



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OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**PREBLE COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**PREBLE 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, 2001**