



**CUYAHOGA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
CUYAHOGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 1999**



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

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**STATE OF OHIO**



**CUYAHOGA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
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STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

Lausche Bldg  
615 W Superior Ave  
Floor 12  
Cleveland OH 44113 - 1801  
Telephone 216-787-3665  
800-626-2297  
Facsimile 216-787-3361  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Cuyahoga County Family and Children First Council  
Cuyahoga County  
112 Hamilton Avenue, Room 600  
Cleveland, Ohio 44114

We have audited the accompanying financial statement of the Cuyahoga County Family and Children First Council, Cuyahoga County, Ohio, (the Council) as of and for the year ended December 31, 1999. This financial statement is the responsibility of the Council's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 2, the Council prepares its financial statement 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 statement referred to above presents fairly, in all material respects, the combined fund cash balances of the Cuyahoga County Family and Children First Council, Cuyahoga County, Ohio, as of December 31, 1999, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 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.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

May 15, 2000

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**CUYAHOGA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES - GOVERNMENTAL FUND TYPES -  
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	General Fund	Special Revenue Fund	Total (Memorandum Only)
<b>Cash Receipts:</b>			
Intergovernmental	\$20,000	\$4,487,343	\$4,507,343
Local Agency Contributions	0	2,305,979	2,305,979
Distributions from Other County Agencies	1,418,151	0	1,418,151
Miscellaneous	9	151	160
<b>Total Receipts</b>	<b>1,438,160</b>	<b>6,793,473</b>	<b>8,231,633</b>
<b>Cash Disbursements:</b>			
Salaries/Benefits	226,150	0	226,150
Travel/Expenses	8,067	4,099	12,166
Printing	23,918	0	23,918
Equipment	5,530	0	5,530
Office Supplies/Postage	6,245	0	6,245
Contracted Services	233,876	1,107,818	1,341,694
Data Processing	12,217	0	12,217
Retraining	0	12,163	12,163
Advertising	20,043	0	20,043
Family Preservation	0	225,999	225,999
Distributions to Other County Agencies	0	1,717,361	1,717,361
Other	5,969	139,717	145,686
<b>Total Disbursements</b>	<b>542,015</b>	<b>3,207,157</b>	<b>3,749,172</b>
<b>OTHER FINANCING SOURCES:</b>			
Transfers In	0	150,000	150,000
Transfers Out	(150,000)	0	(150,000)
<b>Total Receipts Over (Under) Disbursement</b>	<b>746,145</b>	<b>3,736,316</b>	<b>4,482,461</b>
<b>Fund Cash Balance, January 1, 1999</b>	<b>827,953</b>	<b>1,560,008</b>	<b>2,387,961</b>
<b>Fund Cash Balance, December 31, 1999</b>	<b>\$1,574,098</b>	<b>\$5,296,324</b>	<b>\$6,870,422</b>

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

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**CUYAHOGA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 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, 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, 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 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.

**CUYAHOGA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 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; and
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Accounting**

This financial statement follows the basis of accounting prescribed or permitted by the Ohio Auditor of State, which is similar to the cash receipts and disbursement 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.

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

**B. 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.

**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. The Council had the following sources of funding:

*Intergovernmental Receipts* - Funds received from the Administration Grant.

*Local Agency Contributions* - Funds received from the County Board of Commissioners.

*Distributions from Other County Agencies* - Funds received from Cuyahoga County.

**CUYAHOGA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1999  
(Continued)**

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

**B. Fund Accounting (Continued)**

**2. Special Revenue Funds**

The Special Revenue Funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. These funds record activity primarily related to the Wellness Block Grant, the Early Childhood Initiative Program Grant and the Family Stability Incentive Program Grant and the Early Start Program Grant.

*Distributions to Other County Agencies* - Funds passed-through the Council to various Cuyahoga County agencies.

**C. Administrative Agent**

The Cuyahoga County Board of Commissioners is the administrative agent for the Council.

**D. Fiscal Agent**

The Cuyahoga County Board of Commissioners serves as the fiscal agent for the Council's general and special revenue funds. The Cuyahoga County Auditor is the fiscal agent for the Cuyahoga County Board of Commissioners. The Council's fund is maintained in a separate special revenue fund at the County.

**E. Grant Award**

During the period January 1, 1999 through December 31, 1999, the Council was awarded a federal grant under the Family Preservation and Support Services Program (Family Stability Incentive Program Grant). This grant is presented as Intergovernmental Receipts on the Council's financial statement to reflect the pass-through of these monies.

**F. Contracted Services**

From the general fund, employees of the Council are paid salaries which are processed by the Cuyahoga County payroll system. The funds used to pay the salaries are derived from the Administrative Grant and other monies received by the Council and maintained in a County general fund. The County issues an IRS form W-2 to the Council employees at year-end.

**G. 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.

**3. EQUITY IN POOLED CASH**

The Cuyahoga County Treasurer 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 Council's carrying amount of cash on deposit with the County Treasurer at December 31, 1999 was \$6,870,422. Cuyahoga County, as fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in the County's pooled and deposit accounts.

**CUYAHOGA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1999  
(Continued)**

**4. RETIREMENT SYSTEM**

**PERS**

Public Employees Retirement System (PERS) of Ohio 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 1998 and 1999, members of PERS contributed 8.5% of regular participants' gross salaries. The Council contributed an amount equal to 13.55% of regular participants' gross salaries. The Council has paid all contributions required through December 31, 1999.



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

Lausche Bldg  
615 W Superior Ave  
Floor 12  
Cleveland OH 44113 - 1801  
Telephone 216-787-3665  
800-626-2297  
Facsimile 216-787-3361  
www.auditor.state.oh.us

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

Cuyahoga County Family and Children First Council  
Cuyahoga County  
112 Hamilton Avenue, Room 600  
Cleveland, Ohio 44114

We have audited the financial statement of the Cuyahoga County Family and Children First Council, Cuyahoga County, Ohio, (the Council) as of and for the year ended December 31, 1999, and have issued our report thereon dated May 15, 2000. 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 statement is 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*.

We also noted an immaterial instance of noncompliance that we have reported to the management of the Council in a separate letter dated May 15, 2000.

**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 statement 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 the management of the Council in a separate letter dated May 15, 2000.

Cuyahoga County Family and Children First Council  
Cuyahoga County  
Report on Compliance and on Internal Control Required by  
*Government Auditing Standards*  
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This report is intended for the information and use of management and the Council Board, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end of the last name.

**Jim Petro**  
Auditor of State

May 15, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

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

**FAMILY AND CHILDREN FIRST COUNCIL**

**CUYAHOGA 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  
JUNE 20, 2000**