



**WARREN COUNTY FAMILY AND
CHILDREN FIRST COUNCIL**

WARREN COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**WARREN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
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REPORT OF INDEPENDENT ACCOUNTANTS

Warren County Family and Children First Council
Warren County
416 South East Street
Lebanon, OH 45036

To Members of the Council:

We have audited the accompanying financial statements of the Warren County Family and Children First Council, Warren County, Ohio (the Council), as of and for the years ended December 31, 1999 and 1998. 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 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 audits provide 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, 1999 and 1998, 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 a report dated May 17, 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 the audit committee, management, Warren County Family and Children First 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.

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Jim Petro
Auditor of State

May 17, 2000

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**WARREN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Intergovernmental	\$0	\$161,348	\$161,348
Local Agency Contributions	150,725	0	150,725
In-Kind Receipts	2,500	0	2,500
Other Receipts	3	5,914	5,917
Interest Received	0	0	0
	<u>153,228</u>	<u>167,262</u>	<u>320,490</u>
Cash Disbursements:			
Contract Services	21,541	27,583	49,124
Purchased Services	130,324	169,737	300,061
Equipment	0	0	0
Fiscal/Accounting	3,640	4,100	7,740
General Operating Expenses	2,089	703	2,792
Refunds	0	11,725	11,725
In Kind Expenses	2,500	0	2,500
	<u>160,094</u>	<u>213,848</u>	<u>373,942</u>
Total Receipts Over Disbursements	<u>(6,866)</u>	<u>(46,586)</u>	<u>(53,452)</u>
Fund Cash Balances, January 1	<u>107,766</u>	<u>49,757</u>	<u>157,523</u>
Fund Cash Balances, December 31	<u><u>\$100,900</u></u>	<u><u>\$3,171</u></u>	<u><u>\$104,071</u></u>

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

**WARREN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Intergovernmental	\$0	\$190,263	\$190,263
Local Agency Contributions	63,758	0	63,758
In-Kind Receipts	2,500	0	2,500
Other Receipts	31,101	0	31,101
Refunds	0	6,879	6,879
Transfers between Funds	8,497	0	8,497
Interest Received	1,633	0	1,633
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	107,489	197,142	304,631
Cash Disbursements:			
Contracted Services	66,066	106,676	172,741
Purchased Services	20,426	21,910	42,337
Equipment	400	0	400
Fiscal/Accounting	6,240	2,125	8,365
General Operating	3,530	868	4,398
Refunds	0	5,861	5,861
Transfers between Funds	0	8,497	8,497
In Kind Expenses	2,500	0	2,500
	<hr/>	<hr/>	<hr/>
Total Disbursements	99,162	145,937	245,099
Total Receipts Over Disbursements	<hr/> 8,327	<hr/> 51,205	<hr/> 59,532
Fund Cash Balances, January 1	<hr/> 99,439	<hr/> (1,448)	<hr/> 97,991
Fund Cash Balances, December 31	<hr/> \$107,766 <hr/>	<hr/> \$49,757 <hr/>	<hr/> \$157,523 <hr/>

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

**WARREN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Ohio Rev. Code, Section 121.37(B)(1), 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.
- b. The director of the community mental health board.
- c. The director of the County ADAMH Board.
- d. A representative from each city board of health and general health district in the county.
- e. The director of the county department of human services.
- f. The executive director of the county's children 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 provides services to children and families.

**WARREN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(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 Warren County Council of Governments (COG) was organized on July 1, 1995, and operated under this title until the Family and Children First Council was officially adopted. The Warren County Family and Children First Council (the Council) was organized with the statutory membership on October 30, 1996.

C. 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.

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

WARREN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

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 following funds are combined in the General Fund for financial statement presentation:

Operating Fund - The Operating Fund is the overall 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 - Local monies contributed by the administrative members of the Council. The amount provided by each agency is based on the Council's annual budget and the amount of funding needed to fulfill the Council's obligations.

In-Kind Contributions - Contributions are calculated based on the value of the service provided. In-Kind Services were provided as follows: from January 1, 1998 to December 31, 1999-office space received from the Warren County Children's Services Board.

All expenditures are made in accordance with an annual budget approved by the administrative body of the Council.

Crisis Services Fund - The Crisis Services Fund was established by equal contributions from Juvenile Court, Recovery Services and Children's Services. These funds are restricted for emergency residential placement and must be reimbursed by the proper agency within 30 days of placement.

Shared Funding Agreement Fund - The Shared Funding Agreement Fund acts as a rotary account for residential placement costs. Each agency deposits into this fund as necessary per contract. Expenses are then paid to the provider of care.

Wrap-Around Fund - The Wrap-around Fund is used to pay short term non-categorized expenses associated with the direct care of the client.

2. Special Revenue Funds

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

**WARREN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. During the period ending December 31, 1998 and 1999, the following programs were awarded to the Council: Service Coordination Grant and the Ohio Wellness Block Grant.

E. Fiscal Agent

Recovery Services of Warren and Clinton Counties (Recovery Services) acted as the fiscal agent for the Council until April 1, 2000. The new fiscal agent will be the Warren County Children's Services Board effective April 1, 2000. Council funds were maintained in separate bank accounts at Fifth-Third Bank until July 1998. Starting July 1998, all monies were transferred from the Council bank accounts to the Warren County Treasurer's accounts. Distribution and receipt of monies are maintained by the County Auditor and Treasurer and not Recovery Services.

F. 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 statement. During the period ending December 31, 1998, the Council purchased a fax machine. There were no equipment purchases for the period ending December 31, 1999. The Council maintains an inventory of all equipment purchased.

G. Council Coordinator

The Coordinator was employed full time by Recovery Services for the purpose of Council administration until her resignation in December 1999. The salary of this employee is paid by the State administrative grant and pooled funding derived from each of the members of the administrative body of the Council. Recovery Services bills the Council for salary, benefits and expenses for the coordinator and is reimbursed from Council funds. Effective May of 2000, a new Council Coordinator was hired by the Warren County Children Services Board.

2. EQUITY IN POOLED CASH

Recovery Services, as the ultimate fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all Council funds on deposit, however, the Council funds are deposited into the Warren County Treasurer's accounts and adequate depository collateral is obtained.

3. SUBSEQUENT EVENT

Effective April 1, 2000, the Warren County Children's Services Board will replace Recovery Services as the fiscal agent. The Warren County Family and Children First Council voted to change their fiscal year to a calendar year and the motion was passed.



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

Warren County Family and Children First Council
Warren County
416 South East Street
Lebanon, OH 45036

To Members of the Council:

We have audited the financial statements of the Warren County Family and Children First Council, Warren County, Ohio (the Council), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 17, 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 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 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 17, 2000.

Warren County Family and Children First Council
Warren County
Report of Independent Accountants 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 the audit committee, management, Warren County Family and Children First Council, 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", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

May 17, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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WARREN COUNTY FAMILY AND CHILDREN FIRST COUNCIL

WARREN 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 22, 2000**