



**FAMILY AND CHILDREN FIRST COUNCIL
SCIOTO COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FAMILY AND CHILDREN FIRST COUNCIL
SCIOTO COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Family and Children First Council
Scioto County
411 Court Street
Portsmouth, Ohio 45662

To the Family and Children First Council:

We have audited the accompanying financial statements of the Family and Children First Council, Scioto 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 cash balance of the Family and Children First Council, Scioto County, as of December 31, 2000 and 1999, and its 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 28, 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 audit.

This report is intended solely for the information and use of management, the Council 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 28, 2001

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**FAMILY AND CHILDREN FIRST COUNCIL
SCIOTO COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGE IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2000**

Cash Receipts:

| | |
|---------------------|------------------|
| Intergovernmental | <u>\$370,073</u> |
| Total Cash Receipts | <u>370,073</u> |

Cash Disbursements:

| | |
|--------------------------|----------------|
| Current: | |
| Salaries and Benefits | 32,040 |
| Supplies | 2,393 |
| Travel | 282 |
| Conferences and Training | 783 |
| Purchased Service | 469,414 |
| Other | <u>744</u> |
| Total Cash Disbursements | <u>505,656</u> |

| | |
|---|--------------------------------|
| Total Cash Receipts Over/(Under) Cash Disbursements | <u>(135,583)</u> |
| Cash Balance, January 1 | <u>288,824</u> |
| Cash Balance, December 31 | <u><u>\$153,241</u></u> |

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

**FAMILY AND CHILDREN FIRST COUNCIL
SCIOTO COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGE IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 1999**

| | |
|---|--------------------------------|
| Cash Receipts: | |
| Intergovernmental | \$608,224 |
| Other | <u>2,000</u> |
| Total Cash Receipts | <u>610,224</u> |
| Cash Disbursements: | |
| Current: | |
| Salaries and Benefits | 26,882 |
| Supplies | 317 |
| Travel | 975 |
| Conferences and Training | 469 |
| Purchased Services | 474,355 |
| Other | <u>2,750</u> |
| Total Cash Disbursements | <u>505,748</u> |
| Total Cash Receipts Over/(Under) Cash Disbursements | <u>104,476</u> |
| Cash Balance, January 1 | <u>184,348</u> |
| Cash Balance, December 31 | <u><u>\$288,824</u></u> |

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

**FAMILY AND CHILDREN FIRST COUNCIL
SCIOTO COUNTY**

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

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 permitting Counties to establish County Family and Children First Councils. Statutory membership of the 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 Director 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 Job and Family 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 Development 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 these District;
- 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;
- n. At least three individuals representing 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.
- o. An Executive Director of a non-profit agency that funds, advocates, or provides services to children and families.

**FAMILY AND CHILDREN FIRST COUNCIL
SCIOTO COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

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:

- a. Refer to the Cabinet Council those children for whom the Council cannot provide adequate service;
- 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 board representation of families who are receiving services within the County system.

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. Fiscal Agent

During the audit period January 1, 1999 through December 31, 2000, the South Central Ohio Educational Service Center was designated as the fiscal and administrative agent.

**FAMILY AND CHILDREN FIRST COUNCIL
SCIOTO COUNTY**

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

2. EQUITY IN POOLED CASH

The Council's cash is maintained by the South Central Ohio Educational Service Center, its fiscal agent. The Ohio Revised Code prescribes allowable deposits, and the Educational Service Center is responsible for compliance. As of December 31, 2000 and 1999, the Council's share of the Educational Service Center's cash pool was as follows:

| | <u>2000</u> | <u>1999</u> |
|-----------------|-------------------------|-------------------------|
| Demand deposits | <u>\$153,241</u> | <u>\$288,824</u> |
| Total deposits | <u><u>\$153,241</u></u> | <u><u>\$288,824</u></u> |

3. RETIREMENT SYSTEM

The Council contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the Council is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the Council's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The Council has paid all contributions required through December 31, 2000.

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

Family and Children First Council
Scioto County
411 Court Street
Portsmouth, Ohio 45662

To the Family and Children First Council:

We have audited the accompanying financial statements of the Family and Children First Council, Scioto County, Ohio (the Council), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 28, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 certain immaterial instances of noncompliance that we have reported to the management of the Council in a separate letter dated June 28, 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 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 June 28, 2001.

Family and Children First Council
Scioto 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 management and the Council, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 28, 2001



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FAMILY AND CHILDREN FIRST COUNCIL

SCIOTO 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
AUGUST 14, 2001**