



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Family and Children First Council
Franklin County
1951 Gantz Road, Cottage 8
Grove City, Ohio 43123

We have audited the accompanying financial statements of the Family and Children First Council, Franklin County, Ohio, (the Council) as of and for the years ended December 31, 2001 and December 31, 2000, as listed in the table of contents. 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 presents fairly, in all material respects, the combined fund cash balances of the Family and Children First Council, Franklin County, Ohio as of December 31, 2001 and December 31, 2000, and its combined cash receipts and disbursements for the years then ended on the basis accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2002, 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 the audit committee, management, Council members 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

October 18, 2002

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**FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$289,269	\$7,300,560	\$7,589,829
Reimbursements	54		54
Refunds from Providers		20,129	20,129
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	289,323	7,320,689	7,610,012
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
Personal Services	234,188	40,764	274,952
Contractual Services		3,100,797	3,100,797
Supplies and Materials	7,241		7,241
Services and Charges	111,402	360,525	471,927
Miscellaneous		243,000	243,000
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	352,831	3,745,086	4,097,917
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(63,508)	3,575,603	3,512,095
Fund Cash Balances, January 1	170,236	1,113,206	1,283,442
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Fund Cash Balances, December 31	<u>\$106,728</u>	<u>\$4,688,809</u>	<u>\$4,795,537</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$272,610	\$5,476,547	\$5,749,157
Refunds from Providers	105,000	518,769	623,769
Total Cash Receipts	<u>377,610</u>	<u>5,995,316</u>	<u>6,372,926</u>
Cash Disbursements:			
Current:			
Personal Services	167,113	81,411	248,524
Contractual Services	8,380	3,542,136	3,550,516
Supplies and Materials	25,647	1,201	26,848
Services and Charges	59,066		59,066
Miscellaneous	105,000	2,215,401	2,320,401
Total Cash Disbursements	<u>365,206</u>	<u>5,840,149</u>	<u>6,205,355</u>
Total Receipts Over/(Under) Disbursements	<u>12,404</u>	<u>155,167</u>	<u>167,571</u>
Fund Cash Balances, January 1	<u>157,832</u>	<u>958,039</u>	<u>1,115,871</u>
Fund Cash Balances, December 31	<u>\$170,236</u>	<u>\$1,113,206</u>	<u>\$1,283,442</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

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 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. If possible, twenty per cent of the council's membership should consist of members representing families.
- b. The director of the community mental health board.
- c. The director of the county ADAMH board. For counties served by a joint ADAMH board, the joint board's director must designate a member to participate on the county's council.
- d. A representative from each city board of health and general health district in the county. If there are more than two health districts, then the membership is limited to the commissioners of the two districts with the largest populations.
- e. The director of the county department of human services.
- f. The executive director of the county children's 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 provide services to children and families.

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 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 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 broad representation of families who are receiving services within the county system.

**FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Cabinet

Kids in Different Systems (KIDS) was established in 1991. This organization served as a County Council, however, lacked Council membership as required by Ohio Revised Code Section 121.37. In September of 1996, the Franklin County Children's Cabinet added the necessary membership to become a County Council. Although legally a County Council, the Council continues to refer to themselves as Kids in Different Systems.

C. Oversight Committee

The Oversight Committee, which is referred to as the KIDS Oversight Committee, acts on behalf of the Council. This Committee consists of representatives of the Cabinet membership which existed prior to September of 1996. Committee responsibilities include 1) administration of locally-generated pooled funds for the inter-system children; 2) identifying service gaps and developing recommendations to fill the gaps; and 3) any other Council activities which they have been assigned by the Council, such as developing the County Service Coordination Plan.

D. Finance Committee

The Council's Finance Committee consists of members appointed by the Oversight Committee. The Committee approves bills for payment and reviews monthly financial reports submitted by the fiscal manager.

E. 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.

F. Fund Accounting

The Council uses fund accounting to segregate cash and investments that are restricted as to use. The Council classifies its funds into the following types:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

**FAMILY AND CHILDREN FIRST COUNCIL
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Accounting (Continued)

Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Council had the following significant Special Revenue Funds:

Ohio Early Start Fund (TANF) - This fund is used to account for receipts and expenditures of the Council's Ohio Early Start Grant.

Wellness Block Grant Fund - This fund is used to account for receipts and expenditures of the Council's Wellness Block Grant.

G. Fiscal Agent

The Council designated the Franklin County Auditor as the fiscal agent for all funds received in the name of the Council. The ADAMH Board and the Franklin County Department of Jobs and Family Services have been designated as the administrative agents.

H. Equity in Pooled Cash

The Council's cash and investments are maintained by the County, its statutory fiscal agent. The Ohio Revised Code prescribes allowable deposits and investments, and the County is responsible for compliance. As of December 31, 2001 and December 31, 2000, the Council's share of the County's cash and investments pool was \$4,795,537 and \$1,283,442 respectively. Any risk associated with such deposits is the responsibility of Franklin County.

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

Family and Children First Council
Franklin County
1951 Gantz Road, Cottage 8
Grove City, Ohio 43123

We have audited the financial statements of the Family and Children First Council, Franklin County, Ohio, (the Council) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated October 18, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit 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 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 October 18, 2002.

This report is intended for the information and use of the audit committee, management, and 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". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

JIM PETRO
Auditor of State

October 18, 2002



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FAMILY AND CHILDREN FIRST COUNCIL

FRANKLIN 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
NOVEMBER 12, 2002**