



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

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**STATE OF OHIO**



**SOUTHERN CONSORTIUM FOR CHILDREN  
ATHENS COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types.....	3
Notes to the Financial Statement .....	5
Schedule of Federal Awards Expenditures .....	9
Note to Schedule of Federal Awards Expenditures.....	10
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	11
Report of Independent Accountants on Compliance with Requirements Applicable To Each Major Federal Program and Internal Control over Compliance in Accordance with <i>OMB Circular A-133</i> .....	13
Schedule of Findings – <i>OMB Circular A-133 § .505</i> .....	15

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

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701  
Telephone 740-594-3300  
800-441-1389  
Facsimile 740-594-2110  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Southern Consortium for Children  
Athens County  
P.O. Box 956  
8044 Dairy Lane  
Athens, Ohio 45701

To the Board of Directors:

We have audited the accompanying financial statement of the Southern Consortium for Children, Athens County, Ohio (the Consortium), as of and for the year ended December 31, 2001. This financial statement is the responsibility of the Consortium's management. Our responsibility is to express an opinion on this financial statement 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 Consortium 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 Southern Consortium for Children, Athens County, as of December 31, 2001, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2002 on our consideration of the Consortium'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.

Our audit was made for the purpose of forming an opinion on the financial statement of the Consortium, taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

This report is intended solely for the information and use of the audit committee, management, the Board of Directors, 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". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

May 6, 2002

**SOUTHERN CONSORTIUM FOR CHILDREN  
ATHENS 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
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
<b>Cash Receipts:</b>			
Intergovernmental Receipts	\$606,826	\$589,130	\$1,195,956
Workshops	3,257		3,257
Physician Reimbursements	132,733		132,733
Fee for Service		187,438	187,438
Earnings on Investments	8,280		8,280
Miscellaneous	<u>40,008</u>	<u>9,145</u>	<u>49,153</u>
Total Cash Receipts	<u>791,104</u>	<u>785,713</u>	<u>1,576,817</u>
<b>Cash Disbursements:</b>			
Current:			
Salary	140,610	110,714	251,324
Fringe	44,576	49,391	93,967
Travel	17,241	194	17,435
Rent	21,487		21,487
Telephone	5,886	1,056	6,942
Equipment	6,437		6,437
Supplies	14,058	915	14,973
Legal	1,500		1,500
Insurance	4,212		4,212
Utilities/Cleaning	14,152		14,152
Training/Consultation	14,817	10,000	24,817
Hospital In-Patient	42,402		42,402
Outpatient Evaluations	3,510		3,510
Child Psychiatry	251,278		251,278
ALS, AHV, GJM, Wash. LPD	192,346		192,346
PR/Marketing		3,396	3,396
Contract Agencies	<u>28,090</u>	<u>672,209</u>	<u>700,299</u>
Total Cash Disbursements	<u>802,602</u>	<u>847,875</u>	<u>1,650,477</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(11,498)</u>	<u>(62,162)</u>	<u>(73,660)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Advance In (Prior Repayment)	119,150		119,150
Advance Out (Prior Repayment)		(119,150)	(119,150)
Transfers-In		20,000	20,000
Advances-In	66,591	138,240	204,831
Transfers-Out	(20,000)		(20,000)
Advances-Out	<u>(138,240)</u>	<u>(66,591)</u>	<u>(204,831)</u>
Total Other Financing Receipts/(Disbursements)	<u>27,501</u>	<u>(27,501)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	16,003	(89,663)	(73,660)
Fund Cash Balances January 1	<u>117,129</u>	<u>181,009</u>	<u>298,138</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$133,132</u></b>	<b><u>\$91,346</u></b>	<b><u>\$224,478</u></b>

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

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**SOUTHERN CONSORTIUM FOR CHILDREN  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Southern Consortium for Children, Athens County, Ohio (the Consortium), is a Regional Council of Governments, authorized by Chapter 167 of the Ohio Revised Code. The Consortium serves as a program planning, development and coordination arm of four (4) Alcohol, Drug Addiction and Mental Health Services Boards (Athens-Hocking-Vinton, Gallia-Jackson-Meigs, Adams-Lawrence-Scioto and Washington Counties) for youth who are severely emotionally disturbed (SED).

The Consortium is an outcome of Ohio's Mental Health Act of 1988, which put into motion an expansion of the decentralization of the state's mental health system, providing local communities more control over service delivery to the SED population. Direct funding is received from the Ohio Department of Mental Health (ODMH). ODMH funding was derived through the closure of a children's psychiatric hospital whose otherwise operating budget was distributed, on a per capita basis, to the counties which historically had admitting privileges.

The Consortium operates under an appointed four (4) member board, consisting of the Executive Director of each of the above mentioned Alcohol, Drug Addiction and Mental Health Services Boards, and is responsible for planning, developing, implementing, maintaining, and monitoring children's mental health service programs within the service district.

The Consortium's management believes the financial statement presents all activities for which the Consortium is financially accountable.

**B. Basis of Accounting**

The 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.

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

**C. Fund Accounting**

The Consortium uses fund accounting to segregate cash that is restricted as to use. The Consortium classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Fund**

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 Consortium had the following significant Special Revenue Funds:

**SOUTHERN CONSORTIUM FOR CHILDREN  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2001  
(Continued)**

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

**C. Fund Accounting (Continued)**

**2. Special Revenue Fund (Continued)**

*Early Childhood Fund* - This fund receives grant money from the Ohio Department of Mental Health to provide mental health services for children participating in the Head Start Program.

**D. 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.

**E. Accumulated Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Consortium.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Consortium maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2001</u>
Demand deposits	<u>\$80,371</u>
STAR Ohio	<u>144,107</u>
Total deposits and investments	<u><u>\$224,478</u></u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**3. RETIREMENT SYSTEMS**

The Consortium's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS 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 2001, PERS members contributed 8.5% of their gross salary. The Consortium contributed an amount equal to 13.55% of PERS participants gross salaries for 2001. The Consortium has paid all contributions required through December 31, 2001.

**SOUTHERN CONSORTIUM FOR CHILDREN  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2001  
(Continued)**

**4. RISK MANAGEMENT**

**Commercial Insurance**

The Consortium has obtained commercial insurance for the following risks:

- Comprehensive property
- General Liability
- Vehicle Liability
- Officers Liability

**5. ADVANCES NOT REPAID**

The Consortium advanced monies from the General Fund to various Special Revenue Funds in anticipation of future receipts. At December 31, 2000, total advances, in the amount of \$152,998 was outstanding and due to the Consortium's General Fund. During 2001 \$119,149 of these outstanding advances were repaid. At December 31, 2001, advances from 2000, in the amount of \$33,849 remained outstanding and due to the Consortium's General Fund. Of the advances made in 2001, \$71,649 was not repaid and remained due to the Consortium's General fund at December 31, 2001.

At December 31, 2001, total advances, in the amount of \$105,498, were outstanding and due to the Consortium's General Fund.

**6. RELATED PARTY TRANSACTIONS**

As described in Note 1, the Executive Director of the Alcohol Drug Addiction and Mental Health Services Board of Athens, Hocking and Vinton Counties serves on the Consortium's Board. In 2001, the Consortium paid \$18,850 to this Board for rent on the office building.

**7. CONTINGENT LIABILITIES**

The Consortium is not party to any legal proceedings.

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

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**SOUTHERN CONSORTIUM FOR CHILDREN  
ATHENS COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Ohio Department of Alcohol, Drug Addiction Services:</i>			
Vocational Rehabilitation Program Program Grant RSC/ODADAS 2001-5	N/A	84.126	<u>\$132,680</u>
Total United States Department of Education			<u>132,680</u>
<b>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Direct Program:</i>			
Runaway and Homeless Youth Program Grant Project #05CY6198/02 Project #05CY6272/01	N/A	93.623	<u>104,313</u> <u>24,295</u>
Subtotal			128,608
<i>Direct Program:</i>			
Rural Health Outreach Program Grant Project #CSDR00009-03-0	N/A	93.912	<u>61,445</u>
Subtotal			61,445
<i>Passed Through ADAMHS Board of Athens, Hocking &amp; Vinton Counties:</i>			
Alcohol, Drug Abuse and Mental Health Services Block Grants SFY '01 Allocation SFY '02 Allocation	N/A	93.958	<u>49,719</u> <u>15,205</u>
Subtotal			64,924
<i>Passed Through ADAMHS Board of Adams, Lawrence &amp; Scioto Counties:</i>			
Alcohol, Drug Abuse and Mental Health Services Block Grants SFY '01 Allocation	N/A	93.958	<u>30,958</u>
Subtotal			30,958
Total United States Department of Health and Human Services			<u>285,935</u>
<b>Total Federal Awards Expenditures</b>			<b><u><u>\$418,615</u></u></b>

*The notes to the Schedule of Federal Awards Expenditures are an integral part of this Schedule.*

**SOUTHERN CONSORTIUM FOR CHILDREN  
ATHENS COUNTY**

**NOTE TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
DECEMBER 31, 2001**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Consortium's federal award programs. The Schedule has been prepared on the cash basis of accounting.



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701  
Telephone 740-594-3300  
800-441-1389  
Facsimile 740-594-2110  
www.auditor.state.oh.us

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

Southern Consortium for Children  
Athens County  
P.O. Box 956  
8044 Dairy Lane  
Athens, Ohio 45701

To the Board of Directors:

We have audited the accompanying financial statement of the Southern Consortium for Children, Athens County, Ohio (the Consortium), as of and for the year ended December 31, 2001, and have issued our report thereon dated May 6, 2002. 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 Consortium'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 is required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Consortium'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 controls over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, the Board of Directors, and federal awarding agencies and pass-through entities, 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 cursive "Petro".

**Jim Petro**  
Auditor of State

May 6, 2002





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall Suite B  
Athens, Ohio 45701  
Telephone 740-594-3300  
800-441-1389  
Facsimile 740-594-2110  
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Southern Consortium for Children  
Athens County  
P.O. Box 956  
8044 Dairy Lane  
Athens, Ohio 45701

To the Board of Directors:

**Compliance**

We have audited the compliance of the Southern Consortium for Children, Athens County, Ohio (the Consortium), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2001. The Consortium's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Consortium's management. Our responsibility is to express an opinion on the Consortium's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the Consortium's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Consortium's compliance with those requirements.

In our opinion, the Consortium complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2001.

**Internal Control Over Compliance**

The management of the Consortium is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Consortium's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, the Board of Directors, and federal awarding agencies and pass-through entities, 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", written in a cursive style.

**Jim Petro**  
Auditor of State

May 6, 2002

**SOUTHERN CONSORTIUM FOR CHILDREN  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
DECEMBER 31, 2001**

**1. SUMMARY OF AUDITOR'S RESULTS**

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	No
(d)(1)(vii)	Major Programs (list):	Runaway and Homeless Youth Program CFDA# 93.623
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

There were no findings related to the financial statement that were required to be reported herein.

**3. FINDINGS FOR FEDERAL AWARDS**

There were no findings related to federal awards.





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

**SOUTHERN CONSORTIUM FOR CHILDREN**

**ATHENS 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  
JULY 16, 2002**