



**Auditor of State
Betty Montgomery**

**FAMILY AND CHILDREN FIRST COUNCIL
SENECA COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council
Seneca County
59 E. Market St.
Tiffin, OH 44883-2831

To the Council Members:

We have audited the accompanying financial statements of the Seneca County Family and Children First Council (the Council), as of and for the year ended June 30, 2002 and the six-month period ending June 30, 2001. 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 audits 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 audits provide a reasonable basis for our opinion.

As discussed in Note 2, 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 Seneca County Family and Children First Council, Seneca County, as of June 30, 2002 and 2001, and its combined cash receipts and disbursements for the year ended June 30, 2002 and the six-month period ended June 30, 2001 on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2003 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 audits.

This report is intended solely for the information and use of the finance committee, management, the Council Members, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 16, 2003

**FAMILY AND CHILDREN FIRST COUNCIL
SENECA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Membership Fees	\$36,500		\$36,500
Administrative Fees	7,869		7,869
Intergovernmental Revenues	28,554	\$350,773	379,327
Miscellaneous Revenues	300	2,000	2,300
	<hr/>		
Total Cash Receipts	73,223	352,773	425,996
	<hr/>		
Cash Disbursements:			
Salaries/Benefits	55,655	117,811	173,466
Purchased Services	19,937	325,225	345,162
Supplies and Materials	1,094	4,043	5,137
Equipment	1,904		1,904
	<hr/>		
Total Disbursements	78,590	447,079	525,669
	<hr/>		
Total Disbursements Over Receipts	(5,367)	(94,306)	(99,673)
	<hr/>		
Fund Cash Balances, July 1	99,002	167,444	266,446
	<hr/>		
Fund Cash Balances, June 30	<u>\$93,635</u>	<u>\$73,138</u>	<u>\$166,773</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
SENECA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2001**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Membership Fees	\$31,500		\$31,500
Intergovernmental Revenues		\$259,044	259,044
Administrative Fees	6,292		6,292
	<u>37,792</u>	<u>259,044</u>	<u>296,836</u>
Total Cash Receipts			
	<u>37,792</u>	<u>259,044</u>	<u>296,836</u>
Cash Disbursements:			
Salaries/Benefits	27,070	8,576	35,646
Purchased Services	4,574	273,830	278,404
Supplies and Materials	631	417	1,048
	<u>32,275</u>	<u>282,823</u>	<u>315,098</u>
Total Disbursements			
	<u>32,275</u>	<u>282,823</u>	<u>315,098</u>
Total Receipts Over (Under) Disbursements	5,517	(23,779)	(18,262)
Fund Cash Balances, January 1	<u>93,485</u>	<u>191,223</u>	<u>284,708</u>
Fund Cash Balances, June 30	<u>\$99,002</u>	<u>\$167,444</u>	<u>\$266,446</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND JUNE 30, 2001**

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 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 jobs 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 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 president 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 whose families are or have received services from an agency represented on the council or another county's council. Where possible, the number of members representing families shall be equal to twenty per cent of the council's membership;

**FAMILY AND CHILDREN FIRST COUNCIL
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND JUNE 30, 2001
(Continued)**

- o. A representative of a local nonprofit entity that funds, advocates, or provides 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 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;
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

The Council's management believes these financial statements present all activities for which the Council is financially accountable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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.

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.

**FAMILY AND CHILDREN FIRST COUNCIL
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND JUNE 30, 2001
(Continued)**

General Fund - 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 primary source of revenue for Council operations consists of an Administrative Grant from the State and Local Agency contributions. These are local monies contributed by Seneca County agencies, including Mental Health and Recovery Services Board, Juvenile Court, School of Opportunity, City of Tiffin, City of Fostoria, Department of Job and Family Services, Seneca County Commissioners, Tiffin City School District, North Central Ohio Educational Service Center, Early Intervention, Board of Health, and Head Start.

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:

Wellness Block Grant Fund - Federal grant to be used for programs aimed at reducing Teen Pregnancy and Child Abuse.

Family Stability Grant Fund - State and Federal moneys used to fund family preservation services, such as respite care and a juvenile corrections program.

Help Me Grow Fund - Monthly reimbursements from Job and Family Services for services Council provides to eligible families.

C. Fiscal Agent and Administrative Agent

The North Central Ohio Educational Services Center serves as administrative agent and fiscal agent for the Council. Council funds were accounted for in an agency fund by the Treasurer of the North Central Educational Services Center.

D. Budgetary Process

The Ohio Revised Code and AOS Bulletin 98-007 require that each fund be budgeted annually.

E. 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 statements.

F. Unpaid Sick and Vacation Leave

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

G. Fiscal Year

During 2001, the Council changed its fiscal year end from December 31 to June 30, to conform with that of its fiscal agent.

**FAMILY AND CHILDREN FIRST COUNCIL
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND JUNE 30, 2001
(Continued)**

3. EQUITY IN POOLED CASH

The North Central Ohio Educational Service Center maintains a cash pool used by all of the Educational Service Center'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 Educational Service Center at June 30, 2002 was \$166,773 and at June 30, 2001 was \$266,446. The Educational Service Center, as fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in the Educational Service Center's pooled deposit accounts.

4. DEFINED BENEFIT PENSION PLANS

The Council's employees belong to the School Employees Retirement System (SERS) of Ohio. SERS 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 2002 and 2001, members of SERS contributed 9 percent of their gross salaries and the Council contributed an amount equal to 14 percent of participants' gross salaries. The Council has paid all contributions required through June 30, 2002.

5. RISK MANAGEMENT

The Council is insured for general liability and casualty by the North Central Ohio Educational Service Center.

6. CONTINGENT LIABILITIES

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.



**Auditor of State
Betty Montgomery**

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

Family and Children First Council
Seneca County
59 E. Market St.
Tiffin, OH 44883-2831

To the Council Members:

We have audited the accompanying financial statements of the Seneca County Family and Children First Council (the Council) as of and for the year ended June 30, 2002 and the six-month period ending June 30, 2001, and have issued our report thereon dated April 16, 2003. We conducted our audits 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 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 audits 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 management of the Council in a separate letter dated April 16, 2003.

Internal Control over Financial Reporting

In planning and performing our audits, 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.

This report is intended solely for the information and use of the finance committee, management, and the Council Members, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 16, 2003



**Auditor of State
Betty Montgomery**

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SENECA COUNTY FAMILY AND CHILDREN FIRST COUNCIL

SENECA 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
MAY 8, 2003**