



**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  
201 South Washington Street  
Tiffin, Ohio 44883-2890

To the Council Members:

We have audited the accompanying financial statements of the Family and Children First Council, Seneca County, (the Council) as of and for the years ended June 30, 2004 and 2003. 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 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 Family and Children First Council, Seneca County, as of June 30, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2004 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 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

December 20, 2004

**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, 2004

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Membership Fees	\$ 34,500		\$ 34,500
Administrative Fees	14,736		14,736
Intergovernmental Revenues	20,000	\$ 576,806	596,806
	<u>69,236</u>	<u>576,806</u>	<u>646,042</u>
<b>Cash Disbursements:</b>			
Salaries/Benefits	48,218	118,940	167,158
Purchased Services	12,270	525,248	537,518
Supplies and Materials	271	4,273	4,544
Equipment		49	49
Other		13,024	13,024
Refunds		15,546	15,546
	<u>60,759</u>	<u>677,080</u>	<u>737,839</u>
Total Disbursements Over/(Under) Receipts	<u>8,477</u>	<u>(100,274)</u>	<u>(91,797)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Advances-In		55,356	55,356
Advances Out	(55,356)		(55,356)
	<u>(55,356)</u>	<u>55,356</u>	
Excess of Cash Disbursement and Other Financing Disbursements Over Cash Receipts and Other Financing Receipts	(46,879)	(44,918)	(91,797)
Fund Cash Balances, July 1	<u>96,006</u>	<u>177,941</u>	<u>273,947</u>
<b>Fund Cash Balances, June 30</b>	<b><u>\$ 49,127</u></b>	<b><u>\$ 133,023</u></b>	<b><u>\$ 182,150</u></b>

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 YEAR ENDED JUNE 30, 2003

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Membership Fees	\$ 37,000		\$ 37,000
Intergovernmental Revenues	13,620	626,107	639,727
Administrative Fees	30,824		30,824
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	81,444	626,107	707,551
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Salaries/Benefits	57,558	135,527	193,085
Purchased Services	16,407	385,034	401,441
Supplies and Materials	608	743	1,351
Equipment	4,500		4,500
	<hr/>	<hr/>	<hr/>
Total Disbursements	79,073	521,304	600,377
	<hr/>	<hr/>	<hr/>
Total Receipts Over Disbursements	2,371	104,803	107,174
Fund Cash Balances, January 1	93,635	73,138	166,773
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, June 30</b>	<b><u>\$ 96,006</u></b>	<b><u>\$ 177,941</u></b>	<b><u>\$ 273,947</u></b>

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, 2004 AND JUNE 30, 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Section 121.37, Ohio 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 Ohio 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;

**FAMILY AND CHILDREN FIRST COUNCIL  
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2004 AND JUNE 30, 2003  
(Continued)**

- l. A representative of the county's head start agencies, as defined in § 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;
- 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.

**FAMILY AND CHILDREN FIRST COUNCIL  
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2004 AND JUNE 30, 2003  
(Continued)

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.

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:

Multi System Therapy Program Fund – Monies are received from Mental Health and Recovery Services, Juvenile Court and Job and Family Services to fund an intensive therapy program to help keep children in their home.

**FAMILY AND CHILDREN FIRST COUNCIL  
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2004 AND JUNE 30, 2003  
(Continued)

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 Service 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 Service 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.

**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, 2004 was \$182,150 and at June 30, 2003 was \$273,947. 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.

**FAMILY AND CHILDREN FIRST COUNCIL  
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2004 AND JUNE 30, 2003  
(Continued)**

Contribution rates are also prescribed by the Ohio Revised Code. For 2004 and 2003, 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, 2004.

**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.

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**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  
201 South Washington Street  
Tiffin, Ohio 44883-2890

To the Council Members:

We have audited the accompanying financial statements of the Family and Children First Council, Seneca County (the Council) as of and for the years ended June 30, 2004 and 2003, and have issued our report thereon dated December 20, 2004. 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 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.

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

December 20, 2004





**Auditor of State  
Betty Montgomery**

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800-282-0370

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**SENECA 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  
DECEMBER 30, 2004**