



**Auditor of State  
Betty Montgomery**



**UNION COUNTY FAMILY & CHILDREN FIRST COUNCIL  
UNION COUNTY**

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Union County Family and Children First Council  
Union County  
131 North Main Street  
Marysville, Ohio 43040

We have audited the accompanying financial statements of the Family and Children First Council, Union County, Ohio, (the Council) as of and for the years ended December 31, 2002, and December 31, 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 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Council as of December 31, 2002, and December 31, 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

As described in Note 2, the Council reported an Ohio Children's Trust Special Revenue Fund that was previously omitted from the Council's financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 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 audit.

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This report is intended solely for the information and use of the audit committee, 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.

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 7, 2003

**UNION COUNTY FAMILY AND CHILDREN  
UNION COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$46,208	\$258,157	\$304,365
Administrative Fees	17,322	0	17,322
Donations	10,000	300	10,300
Miscellaneous	2,026	0	2,026
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	75,556	258,457	334,013
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Salaries and Benefits	50,921	0	50,921
Supplies	1,717	0	1,717
Contract Services	17,769	232,574	250,343
Travel Training	1,260	0	1,260
Equipment	1,379	0	1,379
Advertising/Printing	185	0	185
Insurance/Other	5,717	1,049	6,766
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	78,948	233,623	312,571
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(3,392)	24,834	21,442
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	54,586	51,427	106,013
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$51,194</u></b>	<b><u>\$76,261</u></b>	<b><u>\$127,455</u></b>

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

**UNION COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
UNION 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>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$58,194	\$205,893	\$264,087
Administrative Fees	4,820	0	4,820
Donations	21,500	2,200	23,700
Miscellaneous	199	0	199
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	84,713	208,093	292,806
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Salaries and Benefits	43,542	2,206	45,748
Supplies	2,050	0	2,050
Contract Services	21,823	180,032	201,855
Travel/Training	1,541	0	1,541
Equipment	1,513	0	1,513
Insurance/Other	18,342	10,079	28,421
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	88,811	192,317	281,128
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(4,098)	15,776	11,678
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1 (Restated - See Note 2)	58,684	35,651	94,335
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$54,586</u></b>	<b><u>\$51,427</u></b>	<b><u>\$106,013</u></b>

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



**UNION COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002, AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of the Entity**

Section 121.37, Ohio Rev. 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. Maintain an accountability system to monitor the council's progress in achieving its purposes;
- e. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system;
- f. 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"

**UNION COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002, AND 2001  
(Continued)**

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

**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. 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:

**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 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 Programming Grant Fund* – This fund is used to account for receipts and expenditures of the Council’s Wellness Block Grant.

*Help Me Grow Fund* – This fund is used to account for receipts and expenditures of the Council’s Help Me Grow Grant.

**D. Fiscal Agent**

The Council designated the Union County Auditor as the fiscal agent for all funds received in the name of the Council. The Council designated the Union County Commissioners as the administrative agent.

**E. Equity in Pooled Cash**

The Council’s cash and investments are maintained by Union 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, 2002, and December 31, 2001, the Council’s share of the County’s Cash and Investments pool was as follows:

	<u>2002</u>	<u>2001</u>
Total deposits	<u>\$127,455</u>	<u>\$106,013</u>

All risks associated with such deposits are the responsibility of Union County.

**UNION COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002, AND 2001  
(Continued)**

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

**F. Budget Process**

The Council files an annual estimate of expenditures with Union County as required by state law. However, this estimate is not formally adopted by Council. The Council operates via appropriations passed by the County Commissioners. The County Commissioners ensure that the Council's expenditures do not exceed appropriations. For December 31, 2002, total appropriations were \$344,024 and actual expenditures were \$312,571. For December 31, 2001, total appropriations were \$514,816 and actual expenditures were \$281,128. Actual expenditures did not exceed appropriations in 2002 or 2001 for any fund type.

**2. RESTATEMENT OF BEGINNING FUND BALANCE – CORRECTION OF AN ERROR**

A restatement of the cash balance of the Special Revenue Fund Type is required to properly reflect Council funds on hand at December 31, 2000. Fund 53 (Ohio Children's Trust Fund) was omitted from the fund type balance. The effect of this fund addition to the fund cash balance reported as of December 31, 2000 is as follows:

	Special Revenue Fund
Cash fund balance at December 31, 2000 as previously reported	\$25,766
Correction of an error	<u>9,885</u>
Restated cash fund balance at January 1, 2001	<u>\$35,651</u>

The reclassification had the following effect on the excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements as previously reported for the fiscal year ended December 31, 2000:

Excess as previously reported	\$25,766
Correction of an error	<u>7,615</u>
Restated amount for the year ended December 31, 2000	<u>\$33,381</u>

**3. RETIREMENT SYSTEM**

The Council's employee belongs to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement 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, PERS members contributed 8.5% of their gross salaries. The Council contributed an amount equal to 13.55% of participants' gross salaries. The Council has paid all contributions required through December 31, 2002.

**UNION COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002, AND 2001  
(Continued)**

**4. RISK MANAGEMENT**

The Council is covered by the County's insurance which includes: Property, Liability, Crime, and Boiler and Machinery.



## **Auditor of State Betty Montgomery**

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

Union County Family and Children First Council  
Union County  
131 North Main Street  
Marysville, Ohio 43040

We have audited the accompanying financial statements of the Family and Children First Council, Union County, Ohio (the Council) as of and for the years ended December 31, 2002, and December 31, 2001 and have issued our report thereon dated April 7, 2003, in which we noted the Council reported a fund that was previously omitted from the Council's financial statements. 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.

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Union County Family and Children First Council  
Union County  
Independent Accountants' Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

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

**BETTY MONTGOMERY**  
Auditor of State

April 7, 2003



**Auditor of State  
Betty Montgomery**

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**UNION COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**UNION 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  
JUNE 17, 2003**