



**Auditor of State
Betty Montgomery**

**FAMILY AND CHILDREN FIRST COUNCIL
PREBLE COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council
Preble County
615 Hillcrest Drive
Eaton, Ohio 45320

To the Executive Council:

We have audited the accompanying financial statements of the Preble County Family and Children First Council, Preble County, Ohio (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 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 present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Family and Children First Council, Preble County, Ohio as of June 30, 2004, and 2003, and its combined cash receipts and disbursements for the year ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 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 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

November 30, 2004

**FAMILY AND CHILDREN FIRST COUNCIL
PREBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum) (Only)</u>
Cash Receipts:			
Intergovernmental	\$53,483	\$84,055	\$137,538
Charges for Services	14,041	172,483	186,524
Local Agency Contributions	26,500		26,500
	<u>94,024</u>	<u>256,538</u>	<u>350,562</u>
Total Cash Receipts			
Cash Disbursements:			
Salary	38,087	1,292	39,379
Fringe Benefits	15,675	19	15,694
Purchase Services/Administrative	56,252		56,252
Purchased Services/Other Agencies		289,640	289,640
Supplies & Materials	155		155
General Operating Expenses	801		801
Miscellaneous	2,146	500	2,646
	<u>113,116</u>	<u>291,451</u>	<u>404,567</u>
Total Cash Disbursements			
Total Receipts under Disbursements	<u>(19,092)</u>	<u>(34,913)</u>	<u>(54,005)</u>
Fund Cash Balances, January 1	<u>65,676</u>	<u>47,314</u>	<u>112,990</u>
Fund Cash Balances, December 31	<u>\$46,584</u>	<u>\$12,401</u>	<u>\$58,985</u>
Reserve for Encumbrances	<u>\$1,020</u>	<u>\$23,091</u>	<u>\$24,111</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
PREBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum) (Only)</u>
Cash Receipts:			
Intergovernmental	\$41,902	\$96,619	\$138,521
Charges for Services	11,726	219,454	231,180
Local Agency Contributions	9,025		9,025
Interest	134		134
	<u>62,787</u>	<u>316,073</u>	<u>378,860</u>
Total Cash Receipts			
Cash Disbursements:			
Salary	35,580	29,493	65,073
Fringe Benefits	10,069	8,601	18,670
Purchase Services/Administrative	3,925		3,925
Purchased Services/Other Agencies		250,698	250,698
Supplies & Materials	1,180	2,000	3,180
General Operating Expenses	1,164		1,164
Miscellaneous	6,061	30,999	37,060
	<u>57,979</u>	<u>321,791</u>	<u>379,770</u>
Total Cash Disbursements			
Total Receipts over/under Disbursements	<u>4,808</u>	<u>(5,718)</u>	<u>(910)</u>
Fund Cash Balances, January 1	<u>60,868</u>	<u>53,032</u>	<u>113,900</u>
Fund Cash Balances, December 31	<u>\$65,676</u>	<u>\$47,314</u>	<u>\$112,990</u>
Reserve for Encumbrances	<u>\$20,587</u>	<u>\$19,451</u>	<u>\$40,038</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004 and 2003**

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. For the years ended June 30, 2004, and 2003, the Preble County Family and Children First Council, Preble County, Ohio (the Council), was an agency fund of Preble County, Ohio. 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 human 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 chair 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 representing the interests of families in the county. Where possible, the number of members representing families shall be equal to twenty per cent of the council's remaining membership.

**FAMILY AND CHILDREN FIRST COUNCIL
PREBLE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Council Membership

The County's Council membership included Children's Services, Board of Alcohol & Drug Addiction Services, Board of Mental Health, Board of Mental Retardation and Developmental Disabilities, Board of County Commissioners, Juvenile Court, Department of Job & Family Services, General Health District, the City of Eaton, family representatives, and the educational community. The purpose of the Family & Children First Council is to identify ways in which the child serving systems can provide services to the community in the most efficient and effective manner. A Council Administrator has been hired to administer all of the Family & Children First programs. Because these programs affect all of the agencies within the Council membership, the salary of this employee is paid from a Collaborative Fee agreement derived from the agencies in the County. The salary of this employee is paid from the State Administrative grant received by the Council and pooled funding derived from each of the Council agencies in the County.

Executive Council

The Executive Council is a governing and policy making body. The Council is responsible for determining the need for staff positions pursuant to established goals, objectives, and policy statements. This committee is responsible for the creation of all standing committees and task groups of the Council.

**FAMILY AND CHILDREN FIRST COUNCIL
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004 and 2003
(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 that is 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. All expenditures are made in accordance with an annual budget approved by the administrative body of the Council.

2. Special Revenue Funds

These funds were used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. During the period ending June 30, 2004, and 2003, the following programs were awarded to the Council: Family Navigator Grant, Ohio Wellness Block Grant, Help Me Grow, and Ohio Children's Trust Fund.

D. Fiscal Agent

The Preble County Combined General Health District became the Council's administrative agent on July 1, 2002. The Preble County Auditor, the Health District's fiscal agent, maintains Council's funds in a separate agency fund. The Ohio Children's Trust Fund is maintained in a separate special revenue fund.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually. The Council must file the budget with the Preble County Combined General Health District, the Council's fiscal agent. This budget is also presented to the Preble County Commissioners. The estimated revenues and expenditures are approved every six months.

F. 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.

**FAMILY AND CHILDREN FIRST COUNCIL
PREBLE COUNTY**

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

2. EQUITY IN POOLED CASH

The Council's cash pool is maintained by the Preble County Treasurer, the Health District's fiscal agent. The Ohio Revised Code prescribes allowable deposits and investments, and the Preble County Treasurer is responsible for meeting compliance. The Council's carrying amounts of cash on deposit with the Preble County Treasurer at June 30, 2004, and 2003 was \$58,985 and \$112,990 respectively.

The Preble County Treasurer, as the fiscal agent for the Health District who is the fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in the Council's pooled cash and depository accounts.

3. RISK MANAGEMENT

The Council is covered under the Preble County Auditor's insurance policy.



Auditor of State Betty Montgomery

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

Family and Children First Council
Preble County
615 Hillcrest Drive
Eaton, Ohio 45320

To the Executive Council:

We have audited the accompanying financial statements of the Preble County Family and Children First Council, Preble County, Ohio (the Council), as of and for the years ended June 30, 2004, and 2003 and have issued our report thereon dated November 30, 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 tested its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could directly and materially affect 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 we must report under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Council in a separate letter dated November 30, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting 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 November 30, 2004.

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

November 30, 2004



**Auditor of State
Betty Montgomery**

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FAMILY AND CHILDREN FIRST COUNCIL

PREBLE 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 14, 2004**