

**RICHLAND COUNTY FAMILY AND
CHILDREN FIRST COUNCIL**

RICHLAND COUNTY

**FOR THE YEAR ENDED
DECEMBER 31, 2003**



**Auditor of State
Betty Montgomery**

Council Members
Richland County Family and Children First Council

We have reviewed the Independent Auditor's Report of the Richland County Family and Children First Council, prepared by Rea & Associates, Inc., for the audit period January 1, 2003 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Richland County Family and Children First Council is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

July 26, 2004

This Page is Intentionally Left Blank.

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2003	2
Notes to the Financial Statements	3 – 6
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	7

This Page is Intentionally Left Blank.

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 14, 2004

Richland County Family and Children First Council
Richland County
Post Office Box 1986
Mansfield, Ohio 44901

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the Richland County Family and Children First Council, Richland County, Ohio (the Council) as of and for the year ended December 31, 2003, as listed in the table of contents. 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 and the standards generally accepted in the United States of America 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 the 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, 2003, 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 a report dated June 14, 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 *Governmental Audit Standards* and should be read in conjunction with this report in considering the results of our audit.

Rea & Associates, Inc.

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Federal Receipts	\$ 0	\$ 334,430	\$ 334,430
State Receipts	112,465	351,487	463,952
Local Agency Receipts	507,824	0	507,824
Earnings on investments	10,672	0	10,672
	<u>630,961</u>	<u>685,917</u>	<u>1,316,878</u>
Total Cash Receipts			
Cash disbursements:			
Current:			
Subsidy Services	0	654,779	654,779
Other Community Services	590,210	25,018	615,228
	<u>590,210</u>	<u>679,797</u>	<u>1,270,007</u>
Total Cash Disbursements			
	<u>590,210</u>	<u>679,797</u>	<u>1,270,007</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>40,751</u>	<u>6,120</u>	<u>46,871</u>
Other Financing Receipts/(Disbursements):			
Advances in	89,400	89,400	178,800
Advances out	(89,400)	(89,400)	(178,800)
	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)			
	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>40,751</u>	<u>6,120</u>	<u>46,871</u>
Fund Cash Balances, January 1	<u>537,762</u>	<u>95,277</u>	<u>633,039</u>
Fund Cash Balances, December 31	<u>\$ 578,513</u>	<u>\$ 101,397</u>	<u>\$ 679,910</u>

See accompanying notes to this statement.

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 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. 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";

RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

- 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 20% of the council's remaining membership; and
- 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 family and children first council's statutory responsibilities include the following:

- a. Refer to the state cabinet council those children for whom the council cannot provide adequate services;
- b. Make periodic reports to the state 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, multidisciplinary, 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.

B. Basis of Accounting

These financial statements were prepared on the cash basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. 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 Council classifies its funds into the following types:

a. General Fund

The General Fund is 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.

b. 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 expenditures for specific purposes. The Council had the following significant Special Revenue Funds:

Healthy Ohio Heartland Fund - This fund receives State monies to provide family support services or community-based services that promote the prevention of child abuse.

Wellness Block Grant Fund - This fund receives State monies to provide family support services or community-based services that promote the well-being of children and families.

D. Administrative/Fiscal Agent

Section 121.37 (B)(4), Revised Code, requires each county council to designate an administrative agent for the council. The Mansfield City School District serves as the Richland County Family and Children First Council's administrative agent. The administrative agent agrees to:

1. Serve as the Council's appointing authority;
2. Exercise spending authority within the limits of the annual budget developed and approved by the Council;

RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Administrative/Fiscal Agent (continued)

3. Perform the following on behalf of Council, but only upon the expressed approval of and direction by Council:
 - Enter into written agreements or administer contracts with public or private entities to fulfill specific Council business.
 - Provide financial stipends, reimbursements, or both, to family representatives for expenses related to Council activity.
 - Receive by gift, grant, devise, or bequest any moneys, land, or other property for the purposes for which the Council is established .

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid and are not reflected as an asset on the accompanying financial statements.

2. EQUITY IN POOLED CASH

The Mansfield City School District maintains a cash pool used for the school district's funds and for the funds of the Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the Mansfield City School District at December 31, 2003, was \$679,910. The Mansfield City School District, as fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in the District's pooled and deposit accounts.

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 14, 2004

Richland County Family and Children First Council
Richland County
Post Office Box 1986
Mansfield, Ohio 44901

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of Richland County Family and Children First Council, Richland County, Ohio (the Council) as of and for the year ended December 31, 2003, and have issued our report thereon dated June 14, 2004. We have 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 is 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 general purpose 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 of 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 general purpose 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 audit committee, management, the Members of Council, and other officials authorized to receive this report and is not intended to be and should not be used by anyone other than these specified parties.

Rea & Associates, Inc.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL

RICHLAND 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
AUGUST 5, 2004**