



**Auditor of State
Betty Montgomery**

**WOOD FAMILY AND CHILDREN FIRST COUNCIL
WOOD COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' 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.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2002.....	4
Notes to the Financial Statements.....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Wood Family and Children First Council
Wood County
1928 E. Gypsy Lane Road, P.O. Box 679
Bowling Green, Ohio 43402-0679

To the Audit Committee:

We have audited the accompanying financial statements of the Wood Family and Children First Council, Wood County, (the Council) as of and for the years ended December 31, 2003 and 2002. 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 of the Council as of December 31, 2003 and 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 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, 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

August 2, 2004

**WOOD FAMILY AND CHILDREN FIRST COUNCIL
WOOD 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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental Receipts	\$ 20,000	\$ 126,692	\$ 146,692
Local Agency Contributions	46,250		46,250
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	66,250	126,692	192,942
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
Contract Services	49,401	115,347	164,748
Accounting and Auditing Services	1,522		1,522
Travel/Training	29		29
Advertising	366		366
Consumer Stipends	500		500
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	51,818	115,347	167,165
	<hr/>	<hr/>	<hr/>
Total Receipts Over Disbursements	14,432	11,345	25,777
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	56,151	47,772	103,923
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$ 70,583</u>	<u>\$ 59,117</u>	<u>\$ 129,700</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**WOOD FAMILY AND CHILDREN FIRST COUNCIL
WOOD 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental Receipts	\$ 20,000	\$ 91,342	\$ 111,342
Local Agency Contributions	18,600		18,600
	<u>38,600</u>	<u>91,342</u>	<u>129,942</u>
Cash Disbursements:			
Current:			
Contract Services	40,731	111,263	151,994
Accounting and Auditing Services	3,382		3,382
Travel/Training	800		800
Consumer Stipends	475		475
	<u>45,388</u>	<u>111,263</u>	<u>156,651</u>
Total Cash Disbursements	<u>45,388</u>	<u>111,263</u>	<u>156,651</u>
Total Disbursements Over Receipts	(6,788)	(19,921)	(26,709)
Fund Cash Balances, January 1	<u>62,939</u>	<u>67,693</u>	<u>130,632</u>
Fund Cash Balances, December 31	<u>\$ 56,151</u>	<u>\$ 47,772</u>	<u>\$ 103,923</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**WOOD FAMILY AND CHILDREN FIRST COUNCIL
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Ohio Revised Code § 121.37 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 job 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 or designee;
- 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 municipal corporation with the largest population in the county;
- j. The president of the board of county commissioners, or an individual designated by the board;

**WOOD FAMILY AND CHILDREN FIRST COUNCIL
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

- 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;
- 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 and monitor 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";

**WOOD FAMILY AND CHILDREN FIRST COUNCIL
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

- 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.

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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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 Fund

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:

Ohio Children's Trust Fund – This fund receives a state grant to be used for programs aimed at reducing Child Abuse and Neglect.

**WOOD FAMILY AND CHILDREN FIRST COUNCIL
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

Help Me Grow Fund -This fund receives federal and state grants to be used for programs aimed at ensuring the well being of children from birth to three years of age as well as prenatal clients.

D. Administrative Agent

The Wood County Department of Job and Family Services served as administrative agent for the Council. Council funds are maintained in a separate agency fund by the Wood County Auditor.

E. Budgetary Process

The Ohio Revised Code and Auditor of State Bulletin 98-007 require that each fund be budgeted annually. Budgetary expenditures may not exceed appropriations at the fund, function level of control. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

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 statements.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Wood County Treasurer maintains a cash and investments pool used by all of the County'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 County at December 31, 2003 was \$129,700, and at December 31, 2002 was \$103,923. The Wood County Treasurer, as fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in the Wood County's pooled and deposit accounts.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

**WOOD FAMILY AND CHILDREN FIRST COUNCIL
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 90,000	\$ 66,250	\$ (23,750)
Special Revenue	245,712	126,692	(119,020)
Total	<u>\$ 335,712</u>	<u>\$ 192,942</u>	<u>\$ (142,770)</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 90,000	\$ 51,818	\$ 38,182
Special Revenue	245,712	115,347	130,365
Total	<u>\$ 335,712</u>	<u>\$ 167,165</u>	<u>\$ 168,547</u>

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 90,000	\$ 38,600	\$ (51,400)
Special Revenue	229,655	91,342	(138,313)
Total	<u>\$ 319,655</u>	<u>\$ 129,942</u>	<u>\$ (189,713)</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 90,000	\$ 45,388	\$ 44,612
Special Revenue	217,287	111,263	106,024
Total	<u>\$ 307,287</u>	<u>\$ 156,651</u>	<u>\$ 150,636</u>

4. RISK MANAGEMENT

The Council is insured for general liability and casualty by the Wood County Commissioners.

**WOOD FAMILY AND CHILDREN FIRST COUNCIL
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

5. RELATED PARTY TRANSACTIONS

During the audit period, the Council's Governing Board entered into a contract with Judy Knox to perform various clerical functions. Judy is also a member of the Governing Board. However, she did abstain from voting on the approval of the contract to avoid a conflict of interest. Total payments to Judy were \$1,552, which includes payment of services and mileage reimbursement.



**Auditor of State
Betty Montgomery**

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

Wood Family and Children First Council
Wood County
1928 E. Gypsy Lane Road, P.O. Box 679
Bowling Green, Ohio 43402-0679

To the Audit Committee:

We have audited the accompanying financial statements of the Wood Family and Children First Council, Wood County, (the Council) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated August 2, 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 audit committee, management, and 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

August 2, 2004



**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

WOOD FAMILY AND CHILDREN FIRST COUNCIL

WOOD 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
SEPTEMBER 7, 2004**