



**COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
COSHOCTON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2004-2003**



**Auditor of State  
Betty Montgomery**



**COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
COSHOCTON COUNTY**

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**Auditor of State  
Betty Montgomery**

Coshocton County Family and Children First Council  
Coshocton County  
724 7<sup>th</sup> Street  
Coshocton, Ohio 43812

To the Executive Committee:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

August 5, 2005

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Coshocton County Family and Children First Council  
Coshocton County  
724 7<sup>th</sup> Street  
Coshocton, Ohio 43812

To the Executive Committee:

We have audited the accompanying financial statements of Coshocton County Family and Children First Council, Coshocton County, Ohio, (the Council) as of and for the years ended December 31, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Council has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Council to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Council does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require the Councils to reformat their statements. The Council has elected not to reformat its statements. Since this Council does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council as of December 31, 2004, or their changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Coshocton County Family and Children First Council, Coshocton County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As discussed in Note 6, the Council has brought on the activity of the Help Me Grow Fund as a Special Revenue Fund. Fund balances as of January 1, 2003 have been restated as a result.

The aforementioned revision to generally accepted accounting principles also requires the Council to include Management's Discussion and Analysis for the year ended December 31, 2004. The Council has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2005, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



**Betty Montgomery**  
Auditor of State

August 5, 2005

**COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
COSHOCTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Member Contributions	\$10,500		\$10,500
Intergovernmental	18,800	\$298,904	317,704
Miscellaneous	1,097	4,951	6,048
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	30,397	303,855	334,252
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	29,523	227,119	256,642
Contract Services		54,372	54,372
Administration Fees		375	375
Materials & Supplies	671	3,438	4,109
Other	4,032	14,592	18,624
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	34,226	299,896	334,122
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(3,829)	3,959	130
Fund Cash Balances, January 1	70,042	221,415	291,457
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$66,213</u></b>	<b><u>\$225,374</u></b>	<b><u>\$291,587</u></b>

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

**COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
COSHOCTON 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>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Member Contributions	\$11,750		\$11,750
Intergovernmental	20,000	\$337,213	357,213
Administrative	8,858		8,858
Miscellaneous	1,246	5,446	6,692
	<u>41,854</u>	<u>342,659</u>	<u>384,513</u>
Total Cash Receipts			
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	38,562	209,715	248,277
Contract Services	2,845	78,029	80,874
Grants		20,000	20,000
Administrative Fees		8,983	8,983
Materials & Supplies	714	1,458	2,172
Other	2,327	38,698	41,025
	<u>44,448</u>	<u>356,883</u>	<u>401,331</u>
Total Cash Disbursements			
Total Receipts (Under) Disbursements	(2,594)	(14,224)	(16,818)
Fund Cash Balances, January 1 (Restated, See Note 6)	<u>72,636</u>	<u>235,639</u>	<u>308,275</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$70,042</u></b>	<b><u>\$221,415</u></b>	<b><u>\$291,457</u></b>

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

**COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 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. Statutory membership of a county council consists of the following individuals:

1. 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;
2. The health commissioner of the board of health of each city or general health district in the county, or their designees;
3. The director of the county department of human services;
4. The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code;
5. The superintendent of the county board of mental retardation and developmental disabilities;
6. The county's juvenile court judge senior in service;
7. 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;
8. 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;
9. A representative of the largest city in the county;
10. The chair of the board of county commissioners, or an individual designated by the board;
11. A representative of the regional office of the department of youth services;
12. A representative of the county's head start agencies, as defined in section 3301.31 of the Revised Code;
13. 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"; and

**COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

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

**A. Description of the Entity (Continued)**

14. 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 percent of the council's remaining membership. In addition, 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:

1. Refer to the cabinet council those children for whom the council cannot provide adequate services;
2. 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;
3. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invests new approaches to achieve better results for families and children;
4. 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";
5. Maintain an accountability system to monitor the council's progress in achieving its purposes; and
6. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

The Hopewell MR/DD served as administrative agent for the Coshocton County Family and Children First Council (Council) through June 30, 2004. As of July 1, 2004 the Coshocton County General Health District served as administrative agent and the Coshocton County Auditor serves as fiscal agent for the Council.

Eighteen agencies are members of the Coshocton County Family and Children First Council of which they appoint an individual to attend the Council meetings. Only the agencies that regularly attend the meetings are voting members.

The Council's management believes these financial statements present all activities for which the Council is financially accountable.

**COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Council recognizes receipts when received in cash rather than when earned and recognizes disbursements 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 adequately disclose material matters the Auditor of State's accounting basis requires.

**C. Cash**

As required by the Ohio Revised Code, the Council's cash is held and invested by the Coshocton County Treasurer, who is the custodian for Council monies. The Council's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

**D. Fund Accounting**

The Council uses fund accounting to segregate resources 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:

*Help Me Grow Fund* – This fund receives grant monies for services relating to pregnant women and babies.

*OCTF Fund* - This fund receives grant monies to partially fund positive parenting programs.

*Wellness Block Grant Fund* - This fund receives grant monies for services relating to teen pregnancy prevention.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

A summary of 2004 and 2003 budgetary activity appears in Note 2.

**COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

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

**F. Property, Plant, and Equipment**

The Council records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**G. Unpaid Vacation and Sick Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Council's basis of accounting.

**2. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$50,000	\$30,397	(\$19,603)
Special Revenue	342,043	303,855	(38,188)
Total	\$392,043	\$334,252	(\$57,791)

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$67,825	\$34,226	\$33,599
Special Revenue	326,368	299,896	26,472
Total	\$394,193	\$334,122	\$60,071

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$170,000	\$41,854	(\$128,146)
Special Revenue	73,086	342,659	269,573
Total	\$243,086	\$384,513	\$141,427

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$67,825	\$44,448	\$23,377
Special Revenue	326,368	356,883	(30,515)
Total	\$394,193	\$401,331	(\$7,138)

**COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**3. RETIREMENT SYSTEM**

The Council contributes to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, OPERS members contributed 8.5 percent of their gross salaries. The Council contributed an amount equal to 13.55 percent of participants' gross salaries for 2004 and 2003. The Council has paid all contributions required through December 31, 2004 and 2003.

**4. RISK MANAGEMENT**

The Council is insured through Coshocton County. Coshocton County has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The Council also provides health insurance, dental and vision coverage to full-time employee through Coshocton County.

**5. 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.

**6. RESTATEMENT**

The Help Me Grow Fund balance was brought on the books of the Council at January 1, 2003 as it is a part of the Council's funds. The classification of the Help Me Grow Fund balance had the following effect on the fund balance as previously reported at December 31, 2002:

	Balance Previously Reported	Restatement	Restated Balance January 1, 2003
Special Revenue Fund	\$4,205	\$231,434	\$235,639

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Coshocton County Family and Children First Council  
Coshocton County  
724 7<sup>th</sup> Street  
Coshocton, Ohio 43812

To the Executive Committee:

We have audited the financial statements of the Coshocton County Family and Children First Council, Coshocton County, Ohio, (the Council) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated August 5, 2005, wherein we noted the Council followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America and we noted the Council restated the beginning fund balances. 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 the Comptroller General of the United States' *Government Auditing Standards*.

**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 to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Council's management dated August 5, 2005, we reported other matters involving internal control over financial reporting that we did not deem reportable conditions.

**Compliance and Other Matters**

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 an opinion. The results of our tests disclosed no instances of noncompliance that we must report under *Government Auditing Standards*.

Coshocton County Family and Children First Council  
Coshocton County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required By *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of management and the Executive Committee. It is not intended for 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 5, 2005



**Auditor of State  
Betty Montgomery**

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

**FAMILY AND CHILDREN FIRST COUNCIL  
COSHOCOTON 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 13, 2005**