



**Auditor of State
Betty Montgomery**

**FAMILY AND CHILDREN FIRST COUNCIL
CRAWFORD COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council
Crawford County
1810 East Mansfield Street
Bucyrus, Ohio 44820

To the Family and Children First Council:

We have audited the accompanying financial statements of the Family and Children First Council, Crawford 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 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.

Family and Children First Council
Crawford County
Independent Accountants' Report
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This report is intended solely for the information and use of management, the finance committee, 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

June 20, 2003

**FAMILY AND CHILDREN FIRST COUNCIL
CRAWFORD 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>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Intergovernmental	\$53,996	\$394,468	\$448,464
Member Contributions	19,250	0	19,250
Donations	3,182	0	3,182
All Other Receipts	1,279	0	1,279
	<u>77,707</u>	<u>394,468</u>	<u>472,175</u>
Cash Disbursements:			
Salaries	25,489	107,911	133,400
Travel and Expenses	2,746	8,480	11,226
Retirement	5,503	20,882	26,385
Workers' Compensation	382	1,084	1,466
Medicare	369	1,550	1,919
Insurance	1,984	2,305	4,289
Advertising and Printing	13,895	14,793	28,688
School Projects	0	82,755	82,755
Parent Involvement	5,901	340	6,241
Purchased Services	8,929	112,588	121,517
Supplies	5,723	8,793	14,516
Equipment	99	6,703	6,802
Dues/Fees	50	13,789	13,839
Other Expenses	16,718	16,682	33,400
	<u>87,788</u>	<u>398,655</u>	<u>486,443</u>
Total Cash Receipts Under Cash Disbursements	<u>(10,081)</u>	<u>(4,187)</u>	<u>(14,268)</u>
Other Financing Receipts and (Disbursements):			
Transfers-In	21,002	0	21,002
Transfers-Out	0	(21,002)	(21,002)
Total Other Financing Receipts/(Disbursements)	<u>21,002</u>	<u>(21,002)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	10,921	(25,189)	(14,268)
Fund Cash Balances, January 1	<u>69,683</u>	<u>21,551</u>	<u>91,234</u>
Fund Cash Balances, December 31	<u><u>\$80,604</u></u>	<u><u>(\$3,638)</u></u>	<u><u>\$76,966</u></u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
CRAWFORD 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>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Intergovernmental	\$30,975	\$251,548	\$282,523
Member Contributions	18,500	0	18,500
Donations	870	0	870
All Other Receipts	8,384	747	9,131
	<u>58,729</u>	<u>252,295</u>	<u>311,024</u>
Cash Disbursements:			
Salaries	33,706	40,391	74,097
Travel and Expenses	5,682	5,553	11,235
Retirement	5,824	4,025	9,849
Workers' Compensation	381	219	600
Medicare	488	594	1,082
Insurance	889	562	1,451
Advertising and Printing	3,747	21,271	25,018
School Projects	0	19,255	19,255
Parent Involvement	661	752	1,413
Purchased Services	8,024	130,684	138,708
Supplies	4,886	28,405	33,291
Equipment	1,802	1,415	3,217
Dues/Fees	2,767	15,695	18,462
Other Expenses	7,795	8,871	16,666
	<u>76,652</u>	<u>277,692</u>	<u>354,344</u>
Total Cash Receipts Under Cash Disbursements	<u>(17,923)</u>	<u>(25,397)</u>	<u>(43,320)</u>
Other Financing Receipts and (Disbursements):			
Transfers-In	26,243	0	26,243
Transfers-Out	0	(26,243)	(26,243)
Total Other Financing Receipts/(Disbursements)	<u>26,243</u>	<u>(26,243)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	8,320	(51,640)	(43,320)
Fund Cash Balances, January 1	<u>61,363</u>	<u>73,191</u>	<u>134,554</u>
Fund Cash Balances, December 31	<u><u>\$69,683</u></u>	<u><u>\$21,551</u></u>	<u><u>\$91,234</u></u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
CRAWFORD COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Section 121.37 of the Ohio 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 director 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 municipal corporation with the largest population in the county;
- j. The chair of the board of county commissioners or an individual designated by the board;
- k. A representative from the regional office of the Ohio 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; and
- o. A representative of the local nonprofit entity that funds, advocates or provide services to children and families.

**FAMILY AND CHILDREN FIRST COUNCIL
CRAWFORD COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

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; and
- 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 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.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Council had the following significant Special Revenue Funds:

**FAMILY AND CHILDREN FIRST COUNCIL
CRAWFORD COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

Wellness Block Grant Fund – This fund receives grant money to provide community based programs of prevention services to reduce the rate of births to teens and to develop programs for child abuse and neglect prevention.

Help Me Grow Grant Fund – This fund receives grant money to provide services for expectant parents; newborns and their families; and infants and toddlers at risk for or with developmental delays and disabilities and their families. Activities include direct services, public and provider awareness, centralized intake and referral, and procedural safeguards for families.

Family Stability Grant Fund – This fund receives grant money to enhance the local child and family serving system, according to the terms of the Family Stability Agreement.

D. Fiscal Agent

The Mid-Ohio Educational Service Center is the Council's fiscal agent. Council funds are maintained in a separate agency fund at the Center.

E. Budgetary Process

Ohio Revised Code requires the Council to submit a budget annually to its administrative agent, the county auditor, and the board of county commissioners. The Council adopted a budget at the object level.

The Council follows the same encumbrance method of accounting as its administrative agent.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH

The Mid-Ohio Educational Service Center's Treasurer maintains a cash pool used by all of the Center's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the Center at December 31, 2002, and 2001 was \$76,966 and \$91,234, respectively. The Mid-Ohio Educational Service Center's Treasurer, as fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in the Mid-Ohio Educational Service Center's pooled and deposit accounts.

**FAMILY AND CHILDREN FIRST COUNCIL
CRAWFORD COUNTY**

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002, and December 31, 2001, follows:

2002 Budgeted Vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 95,416	\$ 98,709	\$ 3,293
Special Revenue	436,460	394,468	(41,992)
Total	<u>\$ 531,876</u>	<u>\$ 493,177</u>	<u>\$ (38,699)</u>

2002 Budgeted Vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 307,722	\$ 87,788	\$ 219,934
Special Revenue	482,505	419,657	62,848
Total	<u>\$ 790,227</u>	<u>\$ 507,445</u>	<u>\$ 282,782</u>

2001 Budgeted Vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 90,913	\$ 84,972	\$ (5,941)
Special Revenue	342,245	252,295	(89,950)
Total	<u>\$ 433,158</u>	<u>\$ 337,267</u>	<u>\$ (95,891)</u>

2001 Budgeted Vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 307,359	\$ 76,652	\$ 230,707
Special Revenue	348,690	303,935	44,755
Total	<u>\$ 656,049</u>	<u>\$ 380,587</u>	<u>\$ 275,462</u>

**FAMILY AND CHILDREN FIRST COUNCIL
CRAWFORD COUNTY**

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

4. RETIREMENT SYSTEMS

The Mid-Ohio Educational Service Center contributes to the School Employees' Retirement System of Ohio (SERS), a cost-sharing multiple employer public employee retirement system administrated by the School Employees' Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS.

Contribution rates are also prescribed by the Ohio Revised Code. All Council employees are members of SERS and contributed 9% of their gross salaries. The Council contributed an amount equal to 14% of employees' gross salaries. The Council has paid all contributions required through December 31, 2002.

5. RISK MANAGEMENT

The Council has obtained commercial insurance for comprehensive property and general liability.

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**Auditor of State
Betty Montgomery**

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

Family and Children First Council
Crawford County
1810 East Mansfield Street
Bucyrus, Ohio 44820

To the Family and Children First Council:

We have audited the accompanying financial statements of the Family and Children First Council, Crawford 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 June 20, 2003. 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 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. 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 June 20, 2003.

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Family and Children First Council
Crawford County
Independent Accountants' Report on Compliance and on Internal
Control Required by *Government Auditing Standards*
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This report is intended for the information and use of management, the finance committee, 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

June 20, 2003



**Auditor of State
Betty Montgomery**

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CRAWFORD COUNTY FAMILY AND CHILDREN FIRST COUNCIL

CRAWFORD 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, 2003**