



**Auditor of State
Betty Montgomery**

**FAMILY AND CHILDREN FIRST COUNCIL
MERCER COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council
Mercer County
117 W. Fayette Street
Celina, Ohio 45822

To the Family and Children First Council:

We have audited the accompanying financial statements of the Family and Children First Council, Mercer County, (the Council), as of and for the years ended December 31, 2002 and 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 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, 2002 and 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 16, 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.

This report is intended solely for the information and use of the 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

June 16, 2003

**FAMILY AND CHILDREN FIRST COUNCIL
MERCER 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental Receipts	\$31,500	\$137,801	\$169,301
Cash Disbursements:			
Current:			
Contract Services	28,500	139,939	168,439
Client Assistance		260	260
Total Cash Disbursements	28,500	140,199	168,699
Total Receipts Over/(Under) Disbursements	3,000	(2,398)	602
Fund Cash Balances, January 1	1,706	9,115	10,821
Fund Cash Balances, December 31	<u>\$4,706</u>	<u>\$6,717</u>	<u>\$11,423</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
MERCER 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>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental Receipts	<u>\$31,671</u>	<u>\$220,130</u>	<u>\$251,801</u>
Cash Disbursements:			
Current:			
Contract Services	39,100	199,501	238,601
Respite Care		798	798
Supplies		345	345
Miscellaneous	<u>2,644</u>	<u>16,858</u>	<u>19,502</u>
Total Cash Disbursements	<u>41,744</u>	<u>217,502</u>	<u>259,246</u>
Total Receipts Over/(Under) Disbursements	(10,073)	2,628	(7,445)
Other Financing Receipts and (Disbursements):			
Transfers-In		3,599	3,599
Transfers-Out	<u>(3,599)</u>		<u>(3,599)</u>
Total Other Financing Receipts/(Disbursements)	<u>(3,599)</u>	<u>3,599</u>	<u>0</u>
Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(13,672)	6,227	(7,445)
Fund Cash Balances, January 1	<u>15,378</u>	<u>2,888</u>	<u>18,266</u>
Fund Cash Balances, December 31	<u><u>\$1,706</u></u>	<u><u>\$9,115</u></u>	<u><u>\$10,821</u></u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
MERCER COUNTY**

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

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) At least three individuals whose families are or have received services from an agency which is represented on the council. If possible, twenty per cent of the council's membership should consist of members representing families.
- (b) The director of the community mental health board.
- (c) The director of the county ADAMH board. For counties served by a joint ADAMH board, the joint board's director must designate a member to participate on the county's council.
- (d) A representative from each city board of health and general health district in the county. If there are more than two health districts, then the membership is limited to the commissioners of the two districts with the largest populations.
- (e) The director of the county department of human services.
- (f) The executive director of the county children's services board.
- (g) The superintendent for the county board of MRDD.
- (h) The administrative or the judge senior in service or his designee for the county's juvenile court.
- (i) The superintendent of the city, exempted village, or local school district with the largest numbers of pupils residing in the county.
- (j) The school superintendent representing all other school districts within the territory in the county, as designated at a biennial meeting of the superintendents of those districts.
- (k) A representative of the municipal corporation with the largest population in the county.
- (l) The chair of the board of county commissioners or a designee.
- (m) A representative from the regional office of the Ohio Department of Youth Services.
- (n) A representative of the county's head start agencies.
- (o) A representative of the county's early intervention collaborative.
- (p) A representative of the local nonprofit entity that funds, advocates or provide 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.

**FAMILY AND CHILDREN FIRST COUNCIL
MERCER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 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;
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

Council

Late 1994 the Mercer County Cluster voted to become a Family & Children First Council. The State Government was encouraging the establishments of such Councils throughout Ohio.

It had been proposed the Mercer County Coalition and Family and Children First Council merge. Three other groups were also interested in joining the merger; MECA's Coalition (the early child collaborative), the Juvenile Justice Task Force begun by judges and commissioners and Child and Family Health Services Consortium.

In January 1996, the Family and Children First Council, MECA, the Mercer County Coalition, the Justice Task Force and the Child and Family Health Services combined in an effort to improve utilization of available resources, strengthen service delivery, provide a broader based community response and reduce duplication of services. The new name for the coalition is: Community Organizations Linking Together (COLT). Colt's Mission is: "to promote the delivery of effective and efficient services to meet the needs of Mercer County residents through the organization of existing resources."

Mission/Advisory Council

COLT's Advisory Council is made up of the seventeen mandated members of the previous Family and Children First Council, three local mandated members and seven members selected by the committees of COLT from other community coalitions.

The Mission Advisory Council functions as the Mercer County Family and Children First Council, Child and Family Health Services consortium, Mercer Early Childhood Agency County Collaborative Group and the Justice Task Force.

**FAMILY AND CHILDREN FIRST COUNCIL
MERCER COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. DESCRIPTION OF THE ENTITY (Continued)

The Mission Advisory Council serves as a clearing house of information and acts as a linkage resource for all COLT committees. Meetings of the general membership may be called by the Co-chairs of the Mission Advisory Council on a semi-annual basis.

Activity and decisions made by the Mission Advisory Council shall reflect the agendas developed by the committees.

The Mission Advisory Council facilitates a teamwork concept with the committees of COLT and acts as a overseer of committees to avoid duplication of effort.

Each member of the mission Advisory Council is also a member of at least one of the COLT committees.

Composition of the Mission Advisory Council shall be representative of the Mercer County community.

Election of officers occurs annually in January. Terms run for one year. Officers may serve in the same position for a maximum of three years. Officers include two Co-chairs of the Mission Advisory Council and a Secretary.

The Mission Advisory Council, through its officers and members set meeting dates at the beginning of each year. Additional meetings can be called as needed at the discretion of the Co-chairs.

Ad hoc committees are established on an as needed basis.

Each member of the Mission Advisory Council, as designated by "E", has one vote. The membership list and designee list is developed and maintained on an annual basis by the Mission Advisory Council. No official action can take place unless a quorum of members is in attendance. A quorum is considered to be at least ten members from the COLT membership list.

Adoption of the By-laws, and any amendments, shall be considered when the identified committees have formally approved the document, and when 2/3 of the Mission Advisory Council Members have voted to approve the document.

Committees

The primary working body of COLT is the seven standing committees.

Employment and Transportation: to assist in identifying employment opportunities and promote the availability of transportation services to Mercer County residents.

Emergency Response: to promote the awareness and development of crisis response mechanisms.

Education & Public Relations: to promote education and enhance publicity and community understanding of COLT, its mission and its efforts.

Health: to promote the general physical, emotional, psychological and behavioral health and welfare of the community through collaboration with area providers and agencies.

**FAMILY AND CHILDREN FIRST COUNCIL
MERCER COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. DESCRIPTION OF THE ENTITY (Continued)

Community Corrections: to develop a community corrections sanctions program through the collaborative efforts of existing area providers and agencies.

Family Services Planning: to receive community input and plan for welfare reform.

Family and Children First Advisory Committee: to be a liason between COLT and the Family and Children First Council, to meet quarterly with the Family and Children First Director and review reports and financial data.

B. FISCAL AGENT

The Mercer County Educational Service Center (ESC) Treasurer has been designated by the Council to serve as the fiscal agent as of May 8, 1997. Council funds are maintained in separate agency funds at the ESC.

C. ADMINISTRATIVE AGENT

As of July 1, 1997, the Mercer County Educational Service Center Superintendent has been designated by the Council to serve as the administrative agent.

D. 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.

E. CASH AND INVESTMENTS

The Council's cash is held and invested by the Mercer County Educational Service Center Treasurer, who is the custodians for the Council monies. The Council's assets are held in the cash and investment pools, and are valued at the fiscal agent Treasurer's reported carrying amount.

F. 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 transactions are reflected in a self-balancing group of accounts. The Council classifies its funds into the following types:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted. The Council had the following sources of funding:

**FAMILY AND CHILDREN FIRST COUNCIL
MERCER COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. FUND ACCOUNTING (Continued)

Administration Grant: Funds are received from the Administration Grant for which the ESC is the fiscal agent and the revenue is recorded as the General fund of the Council.

Local Funding: local agencies contribute funds for the Council Coordinator's salary and for client related expenses.

Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Council maintains a separate special revenue fund for each program which is awarded to the Council that is either entirely or partially funded from state sources.

The Council had the following significant Special Revenue Funds:

Wellness Block Grant Indicator I and Indicator II: The Wellness Block Grant is administered by the Ohio Family and Children First Initiative in collaboration with the Ohio Children's Trust Fund. It represents Ohio's response to providing an opportunity for county partners to shape their own programmatic efforts and customize strategies to meet local challenges. The goal of the wellness initiative is to focus funding on prevention efforts in order to get ahead of problems that have far-reaching and lasting consequences. Indicator I focuses on teen pregnancy prevention, while Indicator II focuses on child abuse and neglect prevention.

Welcome Home Grant: The Welcome Home Grant is administered by the Ohio Department of Health and its purpose is to provide funding for home visits to mothers and their newborn babies.

Family Stability Incentive Grant: The Family Stability Incentive Grant is administered by the Ohio Department of Mental Health to provide funding for the establishment of defined goals and programs for reducing the number of children removed from their homes.

Help Me Grow Grant: The Help Me Grow Grant is administered by the Ohio Department of Health to provide services for expectant parents, newborns and their families, and toddlers at risk for or with developmental delays and disabilities and their families.

G. 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. GRANTS

The Council received financial assistance from state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Council at December 31, 2002.

**FAMILY AND CHILDREN FIRST COUNCIL
MERCER COUNTY**

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

3. RISK MANAGEMENT

The Council is uninsured for the following risks:

- Errors and omissions.



**Auditor of State
Betty Montgomery**

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

Family and Children First Council
Mercer County
117 W. Fayette Street
Celina, Ohio 45822

To the Family and Children First Council:

We have audited the accompanying financial statements of the Family and Children First Council, Mercer County, (the Council), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 16, 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 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Council in a separate letter dated June 16, 2003.

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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Council in a separate letter dated June 16, 2003.

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

June 16, 2003



**Auditor of State
Betty Montgomery**

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FAMILY AND CHILDREN FIRST COUNCIL

MERCER 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
JULY 31, 2003**