



**Auditor of State  
Betty Montgomery**



**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Family and Children First Council  
Fulton County  
1210 N. Ottokee St.  
Wauseon, OH 43567-1906

To the Council:

We have audited the accompanying financial statements of Fulton County Family and Children First Council (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 audits 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 audits 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 audits provide 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 and reserves for encumbrances 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 April 2, 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 audit committee, management, the Board 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

April 2, 2003

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON 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>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash receipts:</b>			
Intergovernmental	\$20,000	\$240,440	\$260,440
Total cash receipts	<u>20,000</u>	<u>240,440</u>	<u>260,440</u>
<b>Cash disbursements:</b>			
Salaries	31,322	170,232	201,554
Contract Services	1,834	15,614	17,448
Equipment		1,920	1,920
Advertising/Printing	55	6,132	6,187
Supplies/Postage	548	30,829	31,377
Training	8	687	695
Travel/Lectures		6,083	6,083
Utilities	547	1,000	1,547
Miscellaneous	1,200	474	1,674
Total cash disbursements	<u>35,514</u>	<u>232,971</u>	<u>268,485</u>
Total cash receipts over/(under) cash disbursements	(15,514)	7,469	(8,045)
Fund cash balances, January 1, 2002	<u>29,109</u>	<u>38,927</u>	<u>68,036</u>
<b>Fund cash balances, December 31, 2002</b>	<b><u>\$13,595</u></b>	<b><u>\$46,396</u></b>	<b><u>\$59,991</u></b>
Reserves for Encumbrances, December 31	<u>\$90</u>	<u>\$42,915</u>	<u>\$43,005</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON 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>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash receipts:</b>			
Intergovernmental	\$20,000	\$176,604	\$196,604
Miscellaneous	579		579
	<hr/>	<hr/>	<hr/>
Total cash receipts	20,579	176,604	197,183
	<hr/>	<hr/>	<hr/>
<b>Cash disbursements:</b>			
Salaries	10,000	89,176	99,176
Contract Services	2,993	23,625	26,618
Equipment	382		382
Advertising/Printing		6,241	6,241
Supplies/Postage	829	45,279	46,108
Training		300	300
Travel/Lectures	59	5,291	5,350
Utilities	495	1,071	1,566
Miscellaneous		450	450
	<hr/>	<hr/>	<hr/>
Total cash disbursements	14,758	171,433	186,191
	<hr/>	<hr/>	<hr/>
Total cash receipts over cash disbursements	5,821	5,171	10,992
	<hr/>	<hr/>	<hr/>
Fund cash balances, January 1, 2001	23,288	33,756	57,044
	<hr/>	<hr/>	<hr/>
<b>Fund cash balances, December 31, 2001</b>	<b>\$29,109</b>	<b>\$38,927</b>	<b>\$68,036</b>
	<hr/>	<hr/>	<hr/>
Reserves for Encumbrances, December 31	<u>\$10,572</u>	<u>\$20,383</u>	<u>\$30,955</u>

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



**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

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

**1. 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 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";
- 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 percent of the council's remaining membership.

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  
FULTON COUNTY**

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. 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.

**B. 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.

**General Fund** - 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. The Council had the following sources of funding:

- Intergovernmental Receipts - Funds received from the Administration Grants.
- Local monies contributed by Fulton County agencies, including the Fulton County Commissioners.

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

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

**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:

- Ohio Wellness Block Grant - Federal grant to be used for programs aimed at reducing Teen Pregnancy and Child Abuse and Neglect.
- Help Me Grow Grant - Federal grant to be used for helping families with infants aging from newly born to three.

**C. Fiscal Agent**

The Fulton County Auditor served as fiscal agent for the Council. Council funds are maintained in separate agency funds by the Fulton County Auditor.

The County Auditor serving as fiscal officer for the Council reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

**D. Budgetary Process**

The Ohio Revised Code requires that the Council prepare an annual budget and file it with its administrative agent.

The Council reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2002 and 2000 budgetary activity appears in Note 4.

**E. 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.

**F. Unpaid Sick Leave**

Employees are entitled to cash payments for unused sick leave in certain circumstances, such as upon leaving employment. Unpaid sick leave is not reflected as liabilities under the cash basis of accounting used by the Council.

**3. EQUITY IN POOLED CASH**

The Fulton County Treasurer maintains a cash 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, 2002 was \$ 59,991 and at December 31, 2001 was \$68,036. The Fulton County Treasurer, as fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in the Fulton County's pooled and deposit accounts.

**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

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

**4. BUDGETARY ACTIVITY**

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

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$48,044	\$35,604	\$12,440
Special Revenue	192,474	275,886	(83,412)
Total	\$240,518	\$311,490	(\$70,972)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$40,600	\$25,330	\$15,270
Special Revenue	279,061	191,816	87,245
Total	\$319,661	\$217,146	\$102,515

**5. DEFINED BENEFIT PENSION PLANS**

The Council's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2002, members of OPERS contributed 8.5 percent of their gross salaries. The Council contributed an amount equal to 13.55 percent of participants' gross salaries in 2001 and 2002. The Council has paid all contributions required through December 31, 2002.

**6. RISK MANAGEMENT**

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

**7. 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.



**Auditor of State  
Betty Montgomery**

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

Family and Children First Council  
Fulton County  
1210 N. Ottokee St.  
Wauseon, OH 43567-1906

To the Council:

We have audited the accompanying financial statements of Fulton County Family and Children First Council (the Council) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated April 2, 2003. We conducted our audits 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 audits 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 audits, 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 April 2, 2003.

This report is intended solely for the information and use of the audit committee, management, 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

April 02, 2003



**Auditor of State  
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

**FAMILY AND CHILDREN FIRST COUNCIL**

**FULTON 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  
MAY 8, 2003**