



GEauga County Family and Children First Council
GEauga County

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2002 & 2001



Auditor of State
Betty Montgomery

**GEauga County Family and Children First Council
GEauga County**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Geauga County Family and Children First Council
Geauga County
12480 Ravenwood Drive
Chardon, Ohio 44024

To the Board of Trustees:

We have audited the accompanying financial statements of the Geauga County Family and Children First Council, Geauga 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 described in Note 2, 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 fund cash balances of the Geauga County Family and Children First Council, Geauga County, Ohio, as of December 31, 2002 and December 31, 2001, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 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 audits.

This report is intended solely for the information and use of the Finance/Audit Committee, management and the Board of Trustees, 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".

Betty Montgomery
Auditor of State

April 15, 2003

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**GEAUGA FAMILY AND CHILDREN FIRST COUNCIL
GEAUGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUND TYPE
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001**

	<u>GENERAL FUND</u>	<u>GENERAL FUND</u>
	<u>2002</u>	<u>2001</u>
Cash Receipts:		
Intergovernmental Revenue	\$261,137	\$378,275
Local Agency Contributions	<u>1,167,139</u>	<u>1,131,322</u>
Total Cash Receipts	<u>1,428,276</u>	<u>1,509,597</u>
Cash Disbursements:		
Salaries - Employees	131,637	119,161
Office Supplies/Postage	102	1,713
Purchased Services	1,346,533	1,390,770
Other	5,780	33,000
Travel	<u>1,193</u>	<u>1,172</u>
Total Cash Disbursements	<u>1,485,245</u>	<u>1,545,816</u>
Excess of Cash Receipts Over/Under Cash Disbursements	(56,969)	(36,219)
Beginning Fund Cash Balances	<u>502,074</u>	<u>538,293</u>
Ending Fund Cash Balances	<u>\$445,105</u>	<u>\$502,074</u>

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

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**GEauga COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GEauga COUNTY**

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

1. 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. The director of the board of alcohol, drug addiction, and mental health services that serve 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 jobs 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;
- 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 Ohio 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"; and
- 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 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.

A county council's statutory responsibilities include the following:

**GEauga COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GEauga COUNTY**

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

1. DESCRIPTION OF THE ENTITY (Continued)

- 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.

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.

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.

The General Fund is the general operating fund of the Council. It is used to account for all financial resources. The Council had the following sources of funding:

Intergovernmental Receipts - Funds received from the Administration Grant, Wellness Block Grant, IV-E Grant, Intersystems Collaborative for Youth Funds, Family Stability Grant, Welcome Home Grant and Reclaim Ohio Funds.

Local Agency Contributions - Local monies contributed by Geauga County Agencies including: Board of Mental Health, Alcohol and Drug Addiction Services; Children Services Board; Geauga County Juvenile Court; Human Services; Board of MR/DD and Board of Commissioners. The amount provided by each agency is based on the Council's annual budget and the amount of funding needed to fulfill Council obligations.

**GEauga COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GEauga COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fiscal Agent

The Geauga County Auditors serve as the fiscal agent for the Council. Council funds are maintained in a separate county agency fund, County Cluster Fund.

D. Contracted Services

The Case Coordinator is an employee of Geauga County Jobs and Family Services. The funds used to reimburse his services are derived from the Administrative Grant and Local Agency Contributions received by the Council and maintained in the Council's general fund.

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid and are not reflected as assets on the accompanying financial statements. During the audit period, the Council did not purchase such assets.

F. Finance Committee

The Council's Finance Committee consists of five (5) members of the Council who meet in the fall.

E. Budgetary Process

The Council is not subject to Ohio Budgetary law as it is not a taxing subdivision.

3. EQUITY IN POOLED CASH

As required by Ohio Revised Code, the Council's cash is held and invested by the Geauga County Treasurer, who acts as custodian for Council's 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. The Council's carrying amount of cash on deposit with the County at December 31, 2002 was \$445,105 and at December 31, 2001 was \$502,074.

4. RETIREMENT SYSTEM

Employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement 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 2002 and 2001, members of OPERS contributed 8.5% of their gross salaries. The Council contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2001. The Council has paid all contributions required through December 31, 2002.

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Auditor of State Betty Montgomery

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

Geauga County Family and Children First Council
Geauga County
12480 Ravenwood Drive
Chardon, Ohio 44024

To the Board of Trustees:

We have audited the accompanying financial statements of Geauga County Family and Children First Council, Geauga 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 April 15, 2003. We conducted our audit in accordance with auditing standards generally accepted by 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.

Geauga County Family and Children First Council
Geauga County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of Finance/Audit Committee, management and the Board of Trustees, 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 fluid and cursive, with "Betty" on top and "Montgomery" below it.

Betty Montgomery
Auditor of State

April 15, 2003



**Auditor of State
Betty Montgomery**

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GEauga County Family and Children First Council

GEauga 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.

A handwritten signature in cursive script that reads "Susan Babbitt".

CLERK OF THE BUREAU

**CERTIFIED
MAY 29, 2003**