



**Auditor of State  
Betty Montgomery**



**FAMILY AND CHILDREN FIRST COUNCIL  
HENRY COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Family and Children First Council  
Henry County  
104 E. Washington Street, Suite 110  
Napoleon, Ohio 43545-1659

To the Council:

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

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 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 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 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.

Family and Children First Council  
Henry County  
Independent Accountants' Report  
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This report is intended solely for the information and use of the steering committee, the 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 30, 2003

**FAMILY AND CHILDREN FIRST COUNCIL  
HENRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL 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	\$293,939	\$313,939
<b>Cash Disbursements:</b>			
Current:			
Salaries and Fringes	16,929	151,184	168,113
Contract Services	130	77,481	77,611
Maintenance	1,207	52,371	53,578
Equipment	36	3,452	3,488
Total Cash Disbursements	<u>18,302</u>	<u>284,488</u>	<u>302,790</u>
Total Cash Receipts Over Cash Disbursements	1,698	9,451	11,149
<b>Other Financing Receipts and (Disbursements):</b>			
Other Financing Sources		17,300	17,300
Other Financing (Uses)		(15,000)	(15,000)
Total Other Financing Receipts/(Disbursements)		<u>2,300</u>	<u>2,300</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	1,698	11,751	13,449
Fund Cash Balances, January 1	<u>18,722</u>	<u>19,857</u>	<u>38,579</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$20,420</u></b>	<b><u>\$31,608</u></b>	<b><u>\$52,028</u></b>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
HENRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL 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	\$30,973	\$188,117	\$219,090
<b>Cash Disbursements:</b>			
Current:			
Salaries and Fringes	21,880	40,275	62,155
Contract Services	61	142,476	142,537
Maintenance	5,390	16,755	22,145
Equipment	1,336	1,104	2,440
Total Cash Disbursements	<u>28,667</u>	<u>200,610</u>	<u>229,277</u>
Total Receipts Over/(Under) Disbursements	2,306	(12,493)	(10,187)
<b>Other Financing Receipts and (Disbursements):</b>			
Transfers-In	394		394
Transfers-Out		(394)	(394)
Other Financing Sources		30,000	30,000
Return of Unused Funds		(1,897)	(1,897)
Total Other Financing Receipts/(Disbursements)	<u>394</u>	<u>27,709</u>	<u>28,103</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	2,700	15,216	17,916
Fund Cash Balances, January 1	<u>16,022</u>	<u>4,641</u>	<u>20,663</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$18,722</u></b>	<b><u>\$19,857</u></b>	<b><u>\$38,579</u></b>

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



**FAMILY AND CHILDREN FIRST COUNCIL  
HENRY 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 twenty per cent 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  
HENRY 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.

**A. Steering Committee**

The Steering Committee is comprised of the Council Chairperson, Vice Chairperson, Secretary and two other members which are elected on a two year rotated basis from the general membership and a family member. The Steering Committee's responsibility is to act on behalf of the Council to administer the operation of the Council, including:

1. Enter into contracts authorized by full Council. Provide direction to Council Coordinator with regard to operations of Council.
2. Monitoring and directing the implementation of the Strategic Community Plan, Service Coordination plan, and Children Cluster Plan.
3. Monitoring Committee work and providing direction to committee chairs.
4. Monitoring annual operating budgets.
5. Identify service gaps in local community resources and developing strategies to assist children and their families.
6. Addressing and recommending resolutions to policy issues-concerns identified by Council.
7. Resolving services disputes referred from family team/or families.
8. Reviewing and approving periodic reports to the State Cabinet regarding the operation of Council.
9. Consistent with policies of the Council, enter into contracts based on resources available and applying for and administering grants to plan and coordinate service delivery for families and children.
10. Identifying regulation and policy waiver requests necessary to the implementation of Council plans and strategies.

**B. Council**

Family and Children First Council, Henry County, membership includes all members specified by Ohio Revised Code § 121.37, as well as additional at large members, including family

**FAMILY AND CHILDREN FIRST COUNCIL  
HENRY COUNTY**

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

representatives, advocates, community leaders, service providers and religious and union leaders. At large members serve a maximum of two successive three year terms. The Council acts in an advisory capacity to the Steering Committee and reviews Steering Committee activities on a quarterly basis. The Council promotes and facilitates collaboration among community resources regarding the provision of services to families and children. The Council reviews and approves the plans and policies that will govern these collaborations and on a periodic basis reviews reports on the operations of such collaborations.

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.

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.

***Governmental Funds:***

***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 Henry County agencies, including the Henry County Commissioners.

***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:

*Wellness Program Grant* - Federal grant to be used for programs aimed at reducing Teen Pregnancy and Child Abuse.

*Help Me Grow Grant* - Federal grant for prevention and early intervention by providing funding to identify and support infants and toddlers at risk of child abuse and neglect of developmental delay.

**FAMILY AND CHILDREN FIRST COUNCIL  
HENRY COUNTY**

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

**C. Fiscal Agent**

The Henry County Department of Health served as the fiscal agent for the Council. Council funds are maintained in separate agency funds by the Henry County Auditor.

**D. 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.

**E. Budgetary Process**

The Council is required to file an annual budget with their administrative agent, with copies filed with the County Auditor and the Board of County Commissioners. Although not subject to Ohio Revised Code § 5705, the Auditor of State advises that an estimate of financial resources and an appropriation measure be passed and filed with the fiscal agent on or near the first day of the calendar year. Additionally the Council should implement the same encumbering procedures as that of its fiscal agent.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) should not exceed appropriations at the object level of control and appropriations should not exceed estimated resources. The Council annually approves appropriation measures and subsequent amendments and files it with the fiscal agent. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

**3. Encumbrances**

The Council reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2002 and 2001 budgetary activity appears in Note 4.

**F. Council Staff**

The purpose of the Council is to identify and support the implementation of ways which the Child serving Systems can provide services in a coordinated and collaborative manner that results in the efficient and effective provisions of services for the community's families. Council membership includes all of the members specified in the Ohio Revised Code as well as additional at large members representing families, community leaders, family serving agencies and charitable and religious organizations.

**FAMILY AND CHILDREN FIRST COUNCIL  
HENRY COUNTY**

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

**3. EQUITY IN POOLED CASH**

The Henry 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 \$52,028, and at December 31, 2001 was \$38,579. The Henry County Treasurer is responsible for maintaining adequate depository collateral for all funds in the Henry County's pooled and deposit accounts.

**4. BUDGETARY ACTIVITY**

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

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$70,400	\$20,000	(\$50,400)
Special Revenue	300,000	311,239	11,239
Total	<u>\$370,400</u>	<u>\$331,239</u>	<u>(\$39,161)</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$70,400	\$18,302	\$52,098
Special Revenue	314,216	299,488	14,728
Total	<u>\$384,616</u>	<u>\$317,790</u>	<u>\$66,826</u>

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$90,454	\$31,367	(\$59,087)
Special Revenue	441,857	218,117	(223,740)
Total	<u>\$532,311</u>	<u>\$249,484</u>	<u>(\$282,827)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$52,554	\$28,667	\$23,887
Special Revenue	275,759	202,901	72,858
Total	<u>\$328,313</u>	<u>\$231,568</u>	<u>\$96,745</u>

**FAMILY AND CHILDREN FIRST COUNCIL  
HENRY COUNTY**

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

**5. RISK MANAGEMENT**

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

**6. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. 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.

**7. RELATED PARTY TRANSACTIONS**

The Family and Children First Council's fiscal agent, the Health Department, periodically advances money to the Council to meet cash flow problems. The amount owed to the Health Department at December 31, 2002 was \$17,300.



**Auditor of State  
Betty Montgomery**

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

Family and Children First Council  
Henry County  
104 E. Washington Street, Suite 110  
Napoleon, Ohio 43545-1659

To the Council:

We have audited the accompanying financial statements of the 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 30, 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 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 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 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 April 30, 2003.

This report is intended solely for the information and use of the steering 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 written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

April 30, 2003





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
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800-282-0370

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**HENRY COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**HENRY 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 29, 2003**