



**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2003



**Auditor of State
Betty Montgomery**

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Tuscarawas County Family and Children First Council
Tuscarawas County
1433 5th Street NW
New Philadelphia, Ohio 44663

To the Executive Committee:

We have audited the accompanying financial statements of Tuscarawas County Family and Children First Council, Tuscarawas County, Ohio, (the Council) as of and for the year ended December 31, 2003. 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 reasonably assure 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 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 Tuscarawas County Family and Children First Council, Tuscarawas County, Ohio, as of December 31, 2003, and its combined cash receipts and disbursements for the year 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 22, 2005, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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 22, 2005

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

| | <u>Governmental Fund Types</u> | | Totals (Memorandum Only) |
|--|--------------------------------|----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | |
| Cash Receipts: | | | |
| Intergovernmental | \$34,311 | \$24,051 | \$58,362 |
| Administrative | 1,500 | | 1,500 |
| Other | 423 | | 423 |
| | <hr/> | <hr/> | <hr/> |
| Total Cash Receipts | 36,234 | 24,051 | 60,285 |
| | <hr/> | <hr/> | <hr/> |
| Cash Disbursements: | | | |
| Current: | | | |
| Salaries and Benefits | 28,853 | | 28,853 |
| Contract Services | 3,908 | 35,552 | 39,460 |
| Grants | 1,748 | | 1,748 |
| Respite | | 1,200 | 1,200 |
| Cluster Reimbursements | | 3,160 | 3,160 |
| Treatment Services | | 835 | 835 |
| Materials & Supplies | 1,462 | | 1,462 |
| Advertising and Printing | 253 | | 253 |
| Travel Reimbursements | 417 | | 417 |
| Other | 942 | | 942 |
| | <hr/> | <hr/> | <hr/> |
| Total Cash Disbursements | 37,583 | 40,747 | 78,330 |
| | <hr/> | <hr/> | <hr/> |
| Total Receipts (Under) Disbursements | (1,349) | (16,696) | (18,045) |
| | <hr/> | <hr/> | <hr/> |
| Fund Cash Balances, January 1 | 61,083 | 67,817 | 128,900 |
| | <hr/> | <hr/> | <hr/> |
| Fund Cash Balances, December 31 | <u>\$59,734</u> | <u>\$51,121</u> | <u>\$110,855</u> |

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

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**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003**

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:

1. 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;
2. The health commissioner of the board of health of each city or general health district in the county, or their designees;
3. The director of the county department of human services;
4. The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code;
5. The superintendent of the county board of mental retardation and developmental disabilities;
6. The county's juvenile court judge senior in service;
7. 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;
8. 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;
9. A representative of the largest city in the county;
10. The chair of the board of county commissioners, or an individual designated by the board;
11. A representative of the regional office of the department of youth services;
12. A representative of the county's head start agencies, as defined in section 3301.31 of the Revised Code;
13. 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

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

14. 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. In addition, 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:

1. Refer to the cabinet council those children for whom the council cannot provide adequate services;
2. 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;
3. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invests new approaches to achieve better results for families and children;
4. 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";
5. Maintain an accountability system to monitor the council's progress in achieving its purposes; and
6. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

The Tuscarawas County Job and Family Services serves as administrative agent for the Tuscarawas County Family and Children First Council (Council) and the Tuscarawas County Auditor serves as fiscal agent for the Council.

Thirty-six agencies are members of the Tuscarawas County Family and Children First Council of which they appoint an individual to attend the Council meetings. Only the agencies that regularly attend the meetings are voting members.

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

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Council recognizes receipts when received in cash rather than when earned and recognizes disbursements 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 adequately disclose material matters the Auditor of State's accounting basis requires.

C. Cash

As required by Ohio Revised Code, the Tuscarawas County Treasurer is custodian for the Council's cash. The County's cash and investment pool holds the Council's assets, valued at the County Treasurer's carrying amount.

D. Fund Accounting

The Council uses fund accounting to segregate resources that are 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 (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:

Cluster Fund - This fund receives grant monies for providing intervention services to children.

OCTF Local Advisory Board Fund - This fund receives grant monies to partially fund positive parenting programs.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

A summary of 2003 budgetary activity appears in Note 2.

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant, and Equipment

The Council records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2003 follows:

| 2003 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$39,682 | \$36,234 | (\$3,448) |
| Special Revenue | 109,052 | 24,051 | (85,001) |
| Total | \$148,734 | \$60,285 | (\$88,449) |

| 2003 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$39,682 | \$37,583 | \$2,099 |
| Special Revenue | 109,052 | 40,747 | 68,305 |
| Total | \$148,734 | \$78,330 | \$70,404 |

3. RETIREMENT SYSTEM

The Council contributes to the Ohio Public Employees Retirement System (OPERS) for the Council Coordinator. OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2003, OPERS members contributed 8.5 percent of their gross salaries. The Council contributed an amount equal to 13.55 percent of participants' gross salaries for 2003. The Council has paid all contributions required through December 31, 2003.

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)**

4. RISK MANAGEMENT

The Council is uninsured through Tuscarawas County. Tuscarawas County has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The Council also provides health insurance and dental and vision coverage to the Council Coordinator through a private carrier.

5. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refund of any disallowed costs. Management cannot presently determine any amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Tuscarawas County Family and Children First Council
Tuscarawas County
1433 5th Street NW
New Philadelphia, Ohio 44663

To the Members of the Board:

We have audited the financial statements of the Tuscarawas County Family and Children First Council, Tuscarawas County, Ohio, (the Council) as of and for the year ended December 31, 2003, and have issued our report thereon dated April 22, 2005, wherein we noted the Council followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Council's management dated April 22, 2005, we reported a matter involving internal control over financial reporting we did not deem a reportable condition.

Compliance and Other Matters

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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Tuscarawas County Family and Children First Council
Tuscarawas County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of management and the Executive Committee. It is not intended for 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 22, 2005



**Auditor of State
Betty Montgomery**

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TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL

TUSCARAWAS 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 24, 2005**