



**Auditor of State
Betty Montgomery**

**CARROLL FAMILY & CHILDREN FIRST COUNCIL
CARROLL COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2002	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2001	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

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Auditor of State Betty Montgomery

REPORT OF INDEPENDENT ACCOUNTANTS

Carroll Family and Children First Council
Carroll County
55 E. Main Street
Carrollton, Ohio 44615

To the Council:

We have audited the accompanying financial statements of Carroll Family & Children First Council (the Council) as of and for the year 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 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 December 31, 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 23, 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.

Carroll Family & Children First Council
Carroll County
Report of Independent Accountants
Page 2

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

April 23, 2003

**CARROLL FAMILY AND CHILDREN FIRST COUNCIL
CARROLL 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	30,103	623,367	653,470
Other Revenue	187	39	226
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	30,290	623,406	653,696
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
Personnel	26,752	196,165	222,917
Contract Services	3,050	337,430	340,480
Supplies	4,301	6,289	10,590
Expenses	385	22,700	23,085
Rent/Utilities	1,184	19,034	20,218
Administration		6,774	6,774
Capital Outlay	781	17,698	18,479
Other/Miscellaneous	7,612	3,216	10,828
Incentives		2,539	2,539
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	44,065	611,845	655,910
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(13,775)	11,561	(2,214)
	<hr/>	<hr/>	<hr/>
Other Financing Receipts and (Disbursements):			
Transfers-In	17,386		17,386
Transfers-Out		(17,386)	(17,386)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	17,386	(17,386)	0
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	3,611	(5,825)	(2,214)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	84,674	14,229	98,903
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$88,285</u>	<u>\$8,404</u>	<u>\$96,689</u>

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

**CARROLL FAMILY AND CHILDREN FIRST COUNCIL
CARROLL 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	50,037	661,879	711,916
Other Revenue		2,999	2,999
		<u>2,999</u>	<u>2,999</u>
Total Cash Receipts	<u>50,037</u>	<u>664,878</u>	<u>714,915</u>
Cash Disbursements:			
Current:			
Personnel	20,400	158,278	178,678
Contract Services		322,606	322,606
Supplies	3,824	19,584	23,408
Expenses	434	77,387	77,821
Incentives		11,951	11,951
Rent/Utilities	1,095	18,440	19,535
Administration		17,357	17,357
Capital Outlay		10,787	10,787
Other/Miscellaneous	19,498	66,356	85,854
Lapsed Fund		2	2
		<u>2</u>	<u>2</u>
Total Cash Disbursements	<u>45,251</u>	<u>702,748</u>	<u>747,999</u>
Total Receipts Over/(Under) Disbursements	<u>4,786</u>	<u>(37,870)</u>	<u>(33,084)</u>
Other Financing Receipts and (Disbursements):			
Transfers-In	13,816		13,816
Transfers-Out		(13,816)	(13,816)
		<u>(13,816)</u>	<u>(13,816)</u>
Total Other Financing Receipts/(Disbursements)	<u>13,816</u>	<u>(13,816)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	18,602	(51,686)	(33,084)
Fund Cash Balances, January 1	<u>66,072</u>	<u>65,915</u>	<u>131,987</u>
Fund Cash Balances, December 31	<u>\$84,674</u>	<u>\$14,229</u>	<u>\$98,903</u>

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

**CARROLL FAMILY AND CHILDREN FIRST COUNCIL
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
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 Council and permitted counties to establish county family and children first councils. Statutory membership of 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 job 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 district 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 interest 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.

**CARROLL FAMILY AND CHILDREN FIRST COUNCIL
CARROLL COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

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:

- 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 county wide, comprehensive, coordinated, multidisciplinary, 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 presentation of families who are receiving services within the county system.

The Carroll County Families and Children First Council was organized with the statutory membership on October 1, 1996. The Council's management believes these financial statements present all activities for which the Council is financially accountable.

B. 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.

C. Cash and Investments

No investments were held by the Council during the current audit period.

**CARROLL FAMILY AND CHILDREN FIRST COUNCIL
CARROLL COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

D. Fund Accounting

The Council uses fund accounting to segregate cash and investments 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:

Wellness Block Grant – This fund receives funds distributed to Ohio counties to encourage the development of skills and abilities of children.

Early Stability Incentive – This fund receives funds distributed to Ohio counties to encourage the development of children three years and under.

E. Budgetary Process

The Ohio Revised Code requires that Council file an annual budget with its administrative agent, with copies filed with the county auditor and with the board of county commissioners, unless the board is serving as the Council's administrative agent. The Council's administrative agent is to ensure that all expenditures are handled in accordance with policies, procedures, and activities prescribed by State departments in rules or interagency agreements that are applicable to the Council's functions.

F. 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.

G. Unpaid Vacation and Sick Leave

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Council maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2002</u>	<u>2001</u>
Deposits with Carroll County Treasurer	\$96,689	\$98,903

**CARROLL FAMILY AND CHILDREN FIRST COUNCIL
CARROLL COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS – (Continued)

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by financial institutions public entity deposit pool.

3. BUDGETARY ACTIVITY

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

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$37,120	\$47,676	\$10,556
Special Revenue	378,630	623,406	244,776
Total	\$415,750	\$671,082	\$255,332

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$37,120	\$44,065	(\$6,945)
Special Revenue	378,630	629,231	(250,601)
Total	\$415,750	\$673,296	(\$257,546)

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$25,187	\$63,853	\$38,666
Special Revenue	387,224	664,878	277,654
Total	\$412,411	\$728,731	\$316,320

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$25,187	\$129,925	(\$104,738)
Special Revenue	387,224	730,793	(343,569)
Total	\$412,411	\$860,718	(\$448,307)

**CARROLL FAMILY AND CHILDREN FIRST COUNCIL
CARROLL COUNTY**

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

6. RETIREMENT SYSTEMS

The Council's employee belongs to the Public Employees Retirement System (PERS) of Ohio, PERS is a cost sharing, multiple-employer plan. The 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, PERS members contributed 8.5% of their gross salaries. The Council contributed an amount equal to 13.55% of participant's gross salary for 2002 and 2001. The Council has paid all contributions required through December 31, 2002.

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**Auditor of State
Betty Montgomery**

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

Carroll Family & Children First Council
Carroll County
55 E. Main Street
Carrollton, Ohio 44615

To the Council:

We have audited the accompanying financial statements of Carroll Family & Children First Council (the Council) as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated April 23, 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 an immaterial instance of noncompliance that we have reported to management of the Council in a separate letter dated April 23, 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.

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

This report is intended solely for the information and use of the audit committee, management and Council, and is not intended to be and should not be used by anyone other than these specified parties.

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Betty Montgomery
Auditor of State

April 23, 2003



**Auditor of State
Betty Montgomery**

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Facsimile 614-466-4490

CARROLL FAMILY AND CHILDREN FIRST COUNCIL

CARROLL 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 1, 2003**