



**Auditor of State
Betty Montgomery**

**FAMILY AND CHILDREN FIRST COUNCIL
GUERNSEY COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council
Guernsey County
324 Highland Avenue
Cambridge, Ohio 43725

To the Family and Children First Council:

We have audited the accompanying financial statements of the Family and Children First Council, Guernsey County, Ohio (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 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 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 combined fund cash balances of the Family and Children First Council, Guernsey County, 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 June 20, 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.

Family and Children First Council
Guernsey County
Independent Accountants' Report
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This report is intended solely for the information and use of 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

June 20, 2003

**FAMILY AND CHILDREN FIRST COUNCIL
GUERNSEY 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	\$8,000	\$236,044	\$244,044
Total Cash Receipts	<u>8,000</u>	<u>236,044</u>	<u>244,044</u>
Cash Disbursements:			
Supplies and Materials	358	35,411	35,769
Conferences and Training		6,228	6,228
Equipment		401	401
Contracted Services	914	159,119	160,033
Mileage		4,140	4,140
Advertising		4,725	4,725
Supportive Services		3,636	3,636
Grant Administration Costs	16	4,732	4,748
Emergency Direct Services		7,187	7,187
Miscellaneous	725	2,137	2,862
Total Cash Disbursements	<u>2,013</u>	<u>227,716</u>	<u>229,729</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>5,987</u>	<u>8,328</u>	<u>14,315</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	1,418	20,890	22,308
Transfers-Out	(3,000)	(19,308)	(22,308)
Refund of Grant Funding to State		(40,651)	(40,651)
Refund of Prior Year Expenditures		784	784
Total Other Financing Receipts/(Disbursements)	<u>(1,582)</u>	<u>(38,285)</u>	<u>(39,867)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	4,405	(29,957)	(25,552)
Fund Cash Balances, January 1	45,699	142,592	188,291
Fund Cash Balances, December 31	<u>\$50,104</u>	<u>\$112,635</u>	<u>\$162,739</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
GUERNSEY 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$23,181	\$374,351	\$397,532
Donations	200		200
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	23,381	374,351	397,732
Cash Disbursements:			
Supplies and Materials	1,137	39,181	40,318
Conferences and Training		1,210	1,210
Equipment	381	13,649	14,030
Contracted Services	10,441	243,201	253,642
Advertising	1,128	7,210	8,338
Supportive Services		2,844	2,844
Emergency Direct Services		17,300	17,300
Miscellaneous	138	15,263	15,401
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	13,225	339,858	353,083
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	10,156	34,493	44,649
Other Financing Receipts/(Disbursements):			
Transfers-In	1,010	2,568	3,578
Transfers-Out		(3,578)	(3,578)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	1,010	(1,010)	-
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	11,166	33,483	44,649
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	34,533	109,109	143,642
Fund Cash Balances, December 31	<hr/> \$45,699	<hr/> \$142,592	<hr/> \$188,291

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

**FAMILY AND CHILDREN FIRST COUNCIL
GUERNSEY COUNTY**

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

1. DESCRIPTION OF ENTITY

Ohio Rev. Code Section 121.37 created the Ohio Family and Children First Cabinet Council and required the Board of County Commissioners in each County to establish County Family and Children First Councils. A Board of County Commissioners may invite any 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 its County Council. 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 Commissioners 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 County 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 as the biennial meeting of the Superintendents of those Districts;
- i. A representative of the municipal corporation with the largest population 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 Ohio 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 the 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; and
- o. An Executive Director of a non-profit agency that funds, advocates, or provides services to children and families.

**FAMILY AND CHILDREN FIRST COUNCIL
GUERNSEY COUNTY**

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

1. DESCRIPTION OF ENTITY (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 County-wide, 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 County's progress in achieving its purposes;
- f. Establish a mechanism to ensure ongoing input from a board representation of families who are receiving services within the County system.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The 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 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.

**FAMILY AND CHILDREN FIRST COUNCIL
GUERNSEY COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Council had the following significant Special Revenue Funds:

Wellness Block Grant Fund – This fund receives a state grant to focus on reducing teenage pregnancy and provide latitude to local Council to make decisions for funding prevention services.

Early Start Subsidy Grant Fund – This fund receives state grant funds to be used for families with children ages birth to three years and pregnant women who are at risk for abuse, neglect, or developmental delay.

Early Start Expansion Fund – This fund receives contract service funds from Guernsey County Department of Job and Family Services to be used for families with children ages birth to three years and pregnant women who are at risk for abuse, neglect, or developmental delay.

Help Me Grow Fund – This fund receives funding from the Ohio Department of Job and Family Services and the Ohio Department of Health to be used to provide programs for children from birth to three years. Help Me Grow replaced the Early Start and Welcome Home programs.

C. Administrative/Fiscal Agent

Section 121.37 (B)(4), Revised Code, requires each County Council to designate an administrative agent for the Council. The Guernsey County Department of Job and Family Services serves as an administrative agent for the Council, and the Guernsey County Auditor is the designated fiscal agent for the Guernsey County Department of Job and Family Services. Guernsey County maintains the Family and Children First Council funds in a special revenue fund on the County's financial records. The administrative agent agrees to:

- a. Serves as the Council's appointing authority;
- b. Exercise spending authority within the limits of the annual budget developed and approved by the Council; and
- c. Perform the following on behalf of Council, but only upon the expressed approval of and direction by Council:
 - Enter into written agreements or administer contracts with public or private entities to fulfill Council business.
 - Provide financial stipends, reimbursements, or both, to family representatives for expenses related to Council activity.
 - Receive by gift, grant, devise, or bequest any moneys, land, or other property for the purposes for which the Council is established.

**FAMILY AND CHILDREN FIRST COUNCIL
GUERNSEY COUNTY**

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

3. EQUITY IN POOLED CASH

The Council's cash is maintained by the Guernsey County Auditor. The Ohio Revised Code prescribes allowable deposits and investments and the County is responsible for compliance. As of December 31, 2002 and 2001, the Council's share of the County's cash pool was as follows:

	<u>2002</u>	<u>2001</u>
Demand deposits	<u>\$162,739</u>	<u>\$188,291</u>

All risks associated with such deposits are the responsibility of Guernsey County Treasurer.

4. 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.



Auditor of State Betty Montgomery

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

Family and Children First Council
Guernsey County
324 Highland Avenue
Cambridge, Ohio 43725

To the Family and Children First Council:

We have audited the accompanying financial statements of the Family and Children First Council, Guernsey County, Ohio (the Council), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 20, 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 certain immaterial instances of noncompliance that we have reported to management of the Council in a separate letter dated June 20, 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. 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 June 20, 2003.

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

June 20, 2003



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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FAMILY AND CHILDREN FIRST COUNCIL

GUERNSEY 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
AUGUST 28, 2003**