



**Auditor of State  
Betty Montgomery**



**FAMILY AND CHILDREN FIRST COUNCIL  
PIKE COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Family and Children First Council  
Pike County  
525 Walnut Street  
Waverly, Ohio 45690

To the Members of the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Pike 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 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 Family and Children First Council, Pike 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 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 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.

This report is intended solely for the information and use of the management, the Council, and other officials authorized to receive this report under Section 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

June 5, 2003

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**FAMILY AND CHILDREN FIRST COUNCIL  
PIKE 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>	
<b>Cash Receipts:</b>			
Intergovernmental	\$20,000	\$232,242	\$252,242
Local Share		12,500	12,500
Other Revenue	84	148,089	148,173
	<u>20,084</u>	<u>392,831</u>	<u>412,915</u>
<b>Total Cash Receipts</b>			
	<u>20,084</u>	<u>392,831</u>	<u>412,915</u>
<b>Cash Disbursements:</b>			
Salaries	84	29,423	29,507
Benefits	18,495	5,168	23,663
Contract Service		297,092	297,092
Travel	317	2,878	3,195
Supplies and Postage	630	1,338	1,968
Other	1,530	22,805	24,335
	<u>21,056</u>	<u>358,704</u>	<u>379,760</u>
<b>Total Cash Disbursements</b>			
	<u>21,056</u>	<u>358,704</u>	<u>379,760</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>(972)</u>	<u>34,127</u>	<u>33,155</u>
<b>Fund Cash Balances, January 1</b>	<u>23,780</u>	<u>113,881</u>	<u>137,661</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$22,808</b></u>	<u><b>\$148,008</b></u>	<u><b>\$170,816</b></u>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
PIKE 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>	
<b>Cash Receipts:</b>			
Intergovernmental	\$20,000	\$282,813	\$302,813
Local Share	5,000		5,000
Other Revenue	2,697	20,930	23,627
	<u>27,697</u>	<u>303,743</u>	<u>331,440</u>
Total Cash Receipts			
<b>Cash Disbursements:</b>			
Salaries	13,109	124,563	137,672
Benefits	2,198	32,156	34,354
Contract Service	1,627	2,828	4,455
Capital Outlay	53	3,081	3,134
Travel		5,771	5,771
Supplies and Postage	128	5,422	5,550
Other	3,452	61,872	65,324
	<u>20,567</u>	<u>235,693</u>	<u>256,260</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>7,130</u>	<u>68,050</u>	<u>75,180</u>
Fund Cash Balances, January 1	<u>16,650</u>	<u>45,831</u>	<u>62,481</u>
<b>Fund Cash Balances, December 31</b>	<b><u>23,780</u></b>	<b><u>113,881</u></b>	<b><u>137,661</u></b>

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



**FAMILY AND CHILDREN FIRST COUNCIL  
PIKE 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 Cabinet Council requiring counties to establish county Family and Children First Councils. Statutory membership of the Council consists of the following individuals:

- a. At least three individuals whose families are or have received services from an agency which is represented on the Council. If possible, twenty per cent of the Council's membership should consist of members representing families;
- b. The Director of the Community Mental Health Board;
- c. The Director of the County ADAMH Board. For counties served by a joint ADAMH Board, the joint Board's Director must designate a member to participate on the County's Council;
- d. A representative from each City Board of Health and General Board of Health District in the county. If there are more than two health districts, then the membership is limited to the Commissioners of the two districts with the largest populations;
- e. The Director of the County Department of Human Services;
- f. The Executive Director of the County Children's Services Board;
- g. The Superintendent for the County Board of MRDD;
- h. The Administrative or the judge senior in service or his designee for the county's juvenile court.
- i. The Superintendent of the city, exempted village, or local school district with the largest numbers of pupils residing in the county;
- j. The School Superintendent representing all other school districts within the territory in the county, as designated at a biennial meeting of the superintendents of those districts;
- k. A representative of the municipal corporation with the largest population in the county;
- l. The Chair of the Board of County Commissioners or a designee;
- m. A representative from the regional office of the Ohio Department of Youth Services;
- n. A representative of the County's Head Start Agencies;
- o. A representative of the County's Early Intervention Collaborative; and
- p. A representative of the local nonprofit entity that funds, advocates or provides services to children and families.

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. Maintain an accountability system to monitor the council's progress in achieving its purposes;
- e. Establish a mechanism to ensure ongoing input from a broad representative of families who are receiving services within the County system; and
- f. 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".

**FAMILY AND CHILDREN FIRST COUNCIL  
PIKE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Fund Accounting**

The Council uses fund accounting to segregate cash that is 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, Indicator I and Indicator II* – This fund received a state grant to provide prevention and intervention services for teen pregnancy. This fund is maintained as an Agency Fund by the County Auditor.

*Early Start* – This fund received a state grant to provide prevention and intervention services for at-risk families. This fund is maintained as an Agency Fund by the County Auditor.

*Family Stability* – This fund received a state grant to provide prevention and intervention services for at-risk families. This fund is maintained as an Agency Fund by the County Auditor.

*Help Me Grow* – This fund received state and federal monies to provide prevention and intervention services for at-risk families. This fund is maintained as an Agency Fund by the County Auditor.

**D. Fiscal Agent**

The Pike County Mental Retardation and Developmental Disabilities Board was designated as the fiscal and administrative agent for the Council. Council funds are maintained in the Family and Children First Council Fund, a separate fund, maintained by the Pike County Auditor.

**FAMILY AND CHILDREN FIRST COUNCIL  
PIKE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

The Council files an annual estimate of expenditures with the Mental Retardation and Developmental Disabilities (MR/DD) Board as required by state law. This estimate is adopted by the Board. The Fiscal Officer of the MR/DD Board inputs these appropriations into the system and ensures that the Council's expenditures do not exceed appropriations.

**2. EQUITY IN POOLED CASH**

The Council's cash is maintained by the Mental Retardation and Developmental Disabilities (MR/DD) Board, its statutory fiscal agent. The Pike County Auditor, the MR/DD Board's fiscal agent, maintains a cash pool used by all the County's funds, including those of the Family and Children First Council. The Ohio Revised Code prescribes allowable deposits, and the MR/DD Board is responsible for compliance. The Pike County Auditor is responsible for maintaining adequate depository collateral for all funds in Pike County's pooled and deposit accounts. As of December 31, 2002 and 2001, the Council's share of the Pike County Auditor's cash pool was as follows:

	<u>2002</u>	<u>2001</u>
Demand deposits	<u>\$170,816</u>	<u>\$137,661</u>

**3. RETIREMENT SYSTEMS**

The Public Employees Retirement System of Ohio (PERS) is a state operated, cost-sharing, multiple employer public employee retirement system. PERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. PERS also provides survivor and disability benefits to vested employees.

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 participants' gross salaries. 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***

Family and Children First Council  
Pike County  
525 Walnut Street  
Waverly, Ohio 45690

To the Members of the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Pike County, Ohio (the Council), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 5, 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*.

**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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Council in a separate letter dated June 5, 2003.

Family and Children First Council  
Pike County  
Independent Accountants' Report on Compliance and on  
Internal Control Required by Government Auditing Standards  
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This report is intended 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 5, 2003



**Auditor of State  
Betty Montgomery**

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**FAMILY AND CHILDREN FIRST COUNCIL**

**PIKE 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 5, 2003**