



**Auditor of State
Betty Montgomery**

**FAMILY AND CHILDREN FIRST COUNCIL
PICKAWAY COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council
Pickaway County
110 Island Road, P.O. Box 191
Circleville, Ohio 43133

To Members of the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Pickaway County, Ohio, (the Council) as of and for the 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 accounting principles generally accepted in the United States of America.

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, Pickaway County, Ohio, 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 October 2, 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.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

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

October 2, 2003

**FAMILY AND CHILDREN FIRST COUNCIL
PICKAWAY 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$20,000	\$155,759	\$175,759
Miscellaneous	0	0	0
	<u>20,000</u>	<u>155,759</u>	<u>175,759</u>
Total Cash Receipts			
	<u>20,000</u>	<u>155,759</u>	<u>175,759</u>
Cash Disbursements:			
Purchased Services	15,483	0	15,483
Supplies and Materials	124	0	124
Travel and Training	5,503	0	5,503
Family Stability Project	0	114,554	114,554
Help Me Grow Project	0	24,744	24,744
Miscellaneous	26	0	26
	<u>21,136</u>	<u>139,298</u>	<u>160,434</u>
Total Cash Disbursements			
	<u>21,136</u>	<u>139,298</u>	<u>160,434</u>
Total Receipts Over/(Under) Disbursements	(1,136)	16,461	15,325
Fund Cash Balances, January 1	<u>39,127</u>	<u>1,969</u>	<u>41,096</u>
Fund Cash Balances, December 31	<u>\$37,991</u>	<u>\$18,430</u>	<u>\$56,421</u>

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

**FAMILY AND CHILDRENS FIRST COUNCIL
PICKAWAY 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	\$20,000	\$139,005	\$159,005
Miscellaneous	499	0	499
	<u>20,499</u>	<u>139,005</u>	<u>159,504</u>
Total Cash Receipts			
	<u>20,499</u>	<u>139,005</u>	<u>159,504</u>
Cash Disbursements:			
Purchased Services	10,493	0	10,493
Supplies and Materials	413	0	413
Travel and Training	4,054	0	4,054
Family Stability Project	0	190,989	190,989
Welcome Home Project	0	15,225	15,225
Miscellaneous	1,848	2,228	4,076
	<u>16,808</u>	<u>208,442</u>	<u>225,250</u>
Total Cash Disbursements			
	<u>16,808</u>	<u>208,442</u>	<u>225,250</u>
Total Receipts Over/(Under) Disbursements	3,691	(69,437)	(65,746)
Fund Cash Balances, January 1	<u>35,436</u>	<u>71,406</u>	<u>106,842</u>
Fund Cash Balances, December 31	<u>\$39,127</u>	<u>\$1,969</u>	<u>\$41,096</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 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 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.

**FAMILY AND CHILDREN FIRST COUNCIL
PICKAWAY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

A County Family and Children First Council may invited 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 council cabinet those children for whom the county council cannot provide adequate services;
- b. Make periodic reports to the council cabinet 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 county council's progress in achieving its purposes;
- e. Establish a mechanism to insure ongoing input from a broad representation of families who are receiving services within the county system.

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 it 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 Fund

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 funds:

**FAMILY AND CHILDREN FIRST COUNCIL
PICKAWAY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

Help Me Grow Grant Fund – This fund receives grant money to provide services for expectant parents; newborns and their families; and infants and toddlers at risk for or with developmental delays and disabilities and their families. Activities include direct services, public and provider awareness, centralized intake and referral, and procedural safeguards for families.

Family Stability Grant Fund – This fund receives grant money to enhance the local child and family serving system, according to the terms of the Family

D. Fiscal Agent

The Council designated the Pickaway County Auditor as the fiscal agent for all funds received in the name of the Council. The Council designated the Pickaway County Department of Job and Family Services as its administrative agent.

E. Budgetary Process

The Council is required by law to submit a budget annually to its administrative agent and the Pickaway County Board of County Commissioners. The Council adopted their budget at the object level. The Council follows the same encumbrance method of accounting as its administrative agent. A summary of budgetary activity appears in Note 3.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The fiscal agent maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the fiscal agent as of December 31 was as follows:

	<u>2002</u>	<u>2001</u>
Demand Deposits	\$56,421	\$41,096

As fiscal agent for the Council, the County is responsible for maintaining adequate depository collateral for all funds in the cash pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the period ended December 31 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$20,000	\$20,000	\$0
Special Revenue	210,000	155,759	(54,241)
Total	\$230,000	\$175,759	(\$54,241)

**FAMILY AND CHILDREN FIRST COUNCIL
PICKAWAY COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$30,000	\$21,136	\$8,864
Special Revenue	200,000	139,298	60,702
Total	<u>\$230,000</u>	<u>\$160,434</u>	<u>69,566</u>

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$20,000	\$20,499	\$499
Special Revenue	210,000	139,005	(70,995)
Total	<u>\$230,000</u>	<u>\$159,504</u>	<u>(\$70,496)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$17,000	\$16,808	\$192
Special Revenue	208,000	208,442	(442)
Total	<u>\$225,000</u>	<u>\$225,250</u>	<u>(\$250)</u>



**Auditor of State
Betty Montgomery**

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

Family and Children First Council
Pickaway County
110 Island Road, P.O. Box 191
Circleville, Ohio 43113

To Members of the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Pickaway County, Ohio, (the Council) as of and for the years ended December 31, 2002, and December 31, 2001, and have issued our report thereon dated October 2, 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 a material weakness. 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.

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Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
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A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

October 2, 2003



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

PICKAWAY COUNTY FAMILY AND CHILDREN FIRST COUNCIL

PICKAWAY 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
NOVEMBER 20, 2003**