



**Auditor of State  
Betty Montgomery**



**FAMILY AND CHILDREN FIRST COUNCIL  
HARRISON COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Family and Children First Council  
Harrison County  
100 West Main St.  
Cadiz, OH 43907

To the Family and Children First Council:

We have audited the accompanying financial statements of the Family and Children First Council, Harrison County, (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, Harrison 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 March 10, 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 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".

**Betty Montgomery**  
Auditor of State

March 10, 2003

Voinovich Government Center / 242 Federal Plaza W. / Suite 302 / Youngstown, OH 44503

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**HARRISON FAMILY AND CHILDREN FIRST COUNCIL  
HARRISON 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	\$305,944	\$325,944
Other Revenue		5,925	5,925
Total Cash Receipts	<u>20,000</u>	<u>311,869</u>	<u>331,869</u>
<b>Cash Disbursements:</b>			
Current:			
Administration	2,154	14,428	16,582
Remittance to State		15,252	15,252
Purchased Services	4,268	328,799	333,067
Materials & Supplies	3,621	1,699	5,320
Miscellaneous		6,974	6,974
Total Cash Disbursements	<u>10,043</u>	<u>367,152</u>	<u>377,195</u>
Total Receipts Over/(Under) Disbursements	<u>9,957</u>	<u>(55,283)</u>	<u>(45,326)</u>
Fund Cash Balances, January 1	<u>64,663</u>	<u>96,341</u>	<u>161,004</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$74,620</u></u></b>	<b><u><u>\$41,058</u></u></b>	<b><u><u>\$115,678</u></u></b>

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

HARRISON FAMILY AND CHILDREN FIRST COUNCIL  
HARRISON 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	\$21,350	\$275,964	\$297,314
Other Revenue		6,706	6,706
	<u>21,350</u>	<u>282,670</u>	<u>304,020</u>
<b>Total Cash Receipts</b>			
	<u>21,350</u>	<u>282,670</u>	<u>304,020</u>
<b>Cash Disbursements:</b>			
Current:			
Administration	275	4,742	5,017
Remittance to State	1,824	9,396	11,220
Purchased services	3,547	186,542	190,089
Materials & Supplies		10,761	10,761
	<u>5,646</u>	<u>211,441</u>	<u>217,087</u>
<b>Total Cash Disbursements</b>			
	<u>5,646</u>	<u>211,441</u>	<u>217,087</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>15,704</u>	<u>71,229</u>	<u>86,933</u>
<b>Other Financing Receipts and (Disbursements):</b>			
Other Uses		(6,706)	(6,706)
		<u>(6,706)</u>	<u>(6,706)</u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
		<u>(6,706)</u>	<u>(6,706)</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>15,704</u>	<u>64,523</u>	<u>80,227</u>
<b>Fund Cash Balances, January 1</b>	<u>48,959</u>	<u>31,818</u>	<u>80,777</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$64,663</u></u>	<u><u>\$96,341</u></u>	<u><u>\$161,004</u></u>

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



**FAMILY AND CHILDREN FIRST COUNCIL  
HARRISON COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Ohio Revised Code § 121.37 created the Ohio Family and Children First Cabinet Council and permitted counties to establish county and family first councils. Statutory membership of a county 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 the children services pursuant to Ohio Revised Code § 5153.15;
- e. The superintendent of the county board of mental retardation and developmental disabilities;
- f. The county's juvenile 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 within the territory of the county, as designated at a biennial meeting of the superintendents of those districts;
- i. A representative of the largest municipality 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 Ohio Revised Code § 3301.31;
- 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 per cent of the council's remaining membership.

**FAMILY AND CHILDREN FIRST COUNCIL  
HARRISON 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 representation, 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 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 departments for early intervention services under the "Education of the Handicapped Act Amendments of 1986";
- e. Maintains an accountability system to monitor the council's progress in achieving its purposes;
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services with the county system.

The Harrison County Family and Children First Council was organized with the required statutory membership on March 1, 1996.

**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**

As required by Ohio Revised Code, the Council's cash is held and invested by the Harrison County Treasurer, who acts as custodian for the Council's monies. The Council's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

**FAMILY AND CHILDREN FIRST COUNCIL  
HARRISON 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 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 Special Revenue Funds:

*Ohio Wellness Block Grant Fund* – This fund receives intergovernmental revenue and is use to provide health screenings for the citizens of Harrison County.

*Temporary Assistance for Needy Families/Early Start* – This fund receives intergovernmental revenue and is used to fund children programs such as the “help me grow” program.

*Family Stability Grant* – This fund receives intergovernmental revenue and is used to provide family services such as counseling to the citizens of Harrison County.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Harrison County Auditor maintains a cash and investments pool used by all of the county's funds, including those of the Family and Children First Council. The Harrison County Auditor, as the ultimate fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in Harrison County's pooled and deposit accounts. County funds on deposit as of December 31, 2002 and December 31, 2001 were fully collateralized as defined under Ohio Revised Code § 135.37.

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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  
Harrison County  
100 West Main St.  
Cadiz, Ohio 43907

To the Family and Children First Council:

We have audited the financial statements of the Family and Children First Council, Harrison County, (the Council) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated March 10, 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.

Family and Children First Council  
Harrison County  
Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
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This report is intended solely for the information and use of management and 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

March 10, 2003



**Auditor of State  
Betty Montgomery**

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**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**HARRISON 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 15, 2003**