



**Auditor of State  
Betty Montgomery**



**FAMILY AND CHILDREN FIRST COUNCIL  
ROSS COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Family and Children First Council  
Ross County  
P.O. Box 6024  
Chillicothe, Ohio 45601

To the Members of Council:

We have audited the accompanying financial statements of the Family and Children First Council, Ross County, Ohio, (the Council) as of and for the years then 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 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 and reserve for encumbrances of the Family and Children First Council, Ross 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 June 13, 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 Members 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 13, 2003

**FAMILY AND CHILDREN FIRST COUNCIL  
ROSS 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**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
<b>Cash Receipts:</b>			
Intergovernmental	\$ 47,107	\$ 202,298	\$ 249,405
<b>Cash Disbursements:</b>			
Current:			
Contract Services	47,683	-	47,683
State Collaborative	-	45,847	45,847
Court to Collaborative	-	48,788	48,788
Help Me Grow	-	76,803	76,803
CTF Expenses	-	14,801	14,801
Partnership for Success	-	6,063	6,063
<b>Total Cash Disbursements</b>	<b>47,683</b>	<b>192,302</b>	<b>239,985</b>
Total Receipts Over/(Under) Disbursements	(576)	9,996	9,420
Fund Cash Balances, January 1	43,360	65,016	108,376
<b>Fund Cash Balances, December 31</b>	<b>\$ 42,784</b>	<b>\$ 75,012</b>	<b>\$ 117,796</b>
Reserve for Encumbrances December 31	\$ 80	\$ -	\$ 80

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

**FAMILY AND CHILDREN FIRST COUNCIL  
ROSS 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	\$ 31,094	\$ 234,324	\$ 265,418
<b>Cash Disbursements:</b>			
Current:			
Contract Services	21,796	-	21,796
State Collaborative	-	8,873	8,873
Court to Collaborative	-	47,737	47,737
Welcome Home	-	18,890	18,890
Early Start	-	126,778	126,778
Help Me Grow	-	9,580	9,580
CTF Expenses	-	5,654	5,654
Total Cash Disbursements	<u>21,796</u>	<u>217,512</u>	<u>239,308</u>
Total Receipts Over Disbursements	9,298	16,812	26,110
Fund Cash Balances, January 1	<u>34,062</u>	<u>48,204</u>	<u>82,266</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 43,360</u></b>	<b><u>\$ 65,016</u></b>	<b><u>\$ 108,376</u></b>
Reserve for Encumbrances, December 31	<u>\$ 31</u>	<u>\$ 17,152</u>	<u>\$ 17,183</u>

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



**FAMILY AND CHILDREN FIRST COUNCIL  
ROSS 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  
ROSS 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:

*Early Start Grant Fund*- This fund receives monies to provide public assistance to families for health care provided by the Ross County General Health District.

**FAMILY AND CHILDREN FIRST COUNCIL  
ROSS 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)**

*Welcome Home Grant Fund*- This fund receives monies for the purposes of the grant provisions.

*Family Stability Incentive Fund*- This fund receives monies for the purposes of the grant provisions.

**D. Fiscal Agent**

The Council designated the Ross County Auditor as the fiscal agent for all funds received in the name of the Council. The Council designated the Ross 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, the County Auditor, and the Ross 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 carrying amount of demand deposits at December 31 was as follows:

	<u>2002</u>	<u>2001</u>
Demand Deposits	\$117,796	\$108,376

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the period ended December 31, 2002 and December 31, 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$20,000	\$47,107	\$27,107
Special Revenue	202,560	202,298	(262)
Total	\$222,560	\$249,405	\$26,845

**FAMILY AND CHILDREN FIRST COUNCIL  
ROSS 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	\$74,669	\$47,763	\$26,906
Special Revenue	253,186	192,302	60,884
Total	<u>\$327,855</u>	<u>\$240,065</u>	<u>\$87,790</u>

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$20,000	\$31,094	\$11,094
Special Revenue	204,424	234,324	29,900
Total	<u>\$224,424</u>	<u>\$265,418</u>	<u>\$40,994</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$33,758	\$21,827	\$11,931
Special Revenue	236,170	234,664	1,506
Total	<u>\$269,928</u>	<u>\$256,491</u>	<u>\$13,437</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  
Ross County  
P.O. Box 6024  
Chillicothe, Ohio 45601

To the Members of Council:

We have audited the accompanying financial statements of the Family and Children First Council, Ross 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 June 13, 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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This report is intended solely for the information and use of the audit committee, management and the Council members, 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 13, 2003



**Auditor of State  
Betty Montgomery**

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**ROSS COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**ROSS 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 6, 2003**