



**Auditor of State
Betty Montgomery**

**FAMILY AND CHILDREN FIRST COUNCIL
SCIOTO COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council
Scioto County
411 Court Street
Portsmouth, Ohio 45663

To the Members of the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Scioto 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, Scioto 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 September 9, 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
Scioto County
Independent Accountants' Report
Page 2

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". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

September 9, 2003

**FAMILY AND CHILDREN FIRST COUNCIL
SCIOTO COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN CASH BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2002**

Cash Receipts:	
Intergovernmental	<u>\$942,162</u>
Total Cash Receipts	<u>942,162</u>
Cash Disbursements:	
Salaries and Benefits	39,740
Travel and Expenses	121
Equipment	936
Purchased Services	<u>918,219</u>
Total Cash Disbursements	<u>959,016</u>
Total Receipts Over/(Under) Disbursements	<u>(16,854)</u>
Other Financing Receipts and (Disbursements):	
Transfers-In	4,293
Transfers-Out	<u>(4,293)</u>
Total Other Financing Receipts/(Disbursements)	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(16,854)
Fund Cash Balances, January 1	<u>157,622</u>
Fund Cash Balances, December 31	<u><u>\$140,768</u></u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
SCIOTO COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN CASH BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2001**

Cash Receipts:	
Intergovernmental	\$624,435
Other Revenue	<u>20,037</u>
Total Cash Receipts	<u>644,472</u>
Cash Disbursements:	
Salaries and Benefits	50,407
Conferences and Training	2,366
Equipment	
Capital Outlay	7,422
Purchased Services	<u>579,897</u>
Total Cash Disbursements	<u>640,092</u>
Total Receipts Over/(Under) Disbursements	<u>4,380</u>
Other Financing Receipts and (Disbursements):	
Transfers-In	32,244
Transfers-Out	<u>(32,244)</u>
Total Other Financing Receipts/(Disbursements)	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	4,380
Fund Cash Balances, January 1	<u>153,242</u>
Fund Cash Balances, December 31	<u><u>\$157,622</u></u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
SCIOTO 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 permitting 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 Alcohol Drug Addiction and Mental Health Services (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 Mental Retardation and Development Disabilities.
- 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.
- 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.

**FAMILY AND CHILDREN FIRST COUNCIL
SCIOTO COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

Section 121.37, Revised Code (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. 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,
- 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".

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.

D. Fiscal Agent

The South Central Ohio Educational Service Center was designated at the fiscal and administrative agent of the Council.

2. EQUITY IN POOLED CASH

The Council's cash is maintained by the South Central Ohio Education Service Center, its statutory fiscal agent. The Ohio Revised Code prescribes allowable deposits, and the Educational Service Center is responsible for compliance. As of December 31, 2002 and 2001, the Council's share of the Educational Service Center's cash pool was as follows:

	<u>2002</u>	<u>2001</u>
Demand deposits	<u>\$140,768</u>	<u>\$157,622</u>

**FAMILY AND CHILDREN FIRST COUNCIL
PIKE COUNTY**

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

3. RETIREMENT SYSTEMS

The Council contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the Council is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the Council's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2002, 5.5 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. 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
Scioto County
411 Court Street
Portsmouth, Ohio 45662

To the Members of the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Scioto County, Ohio (the Council), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated September 9, 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 September 9, 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 one other 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 September 9, 2003.

Family and Children First Council
Scioto County
Independent Accountants' Report on Compliance and on
Internal Control Required by Government Auditing Standards
Page 2

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

September 9, 2003



**Auditor of State
Betty Montgomery**

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SCIOTO COUNTY FAMILY AND CHILDREN FIRST COUNCIL

SCIOTO 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 25, 2003**