



**Auditor of State
Betty Montgomery**

**FAMILY AND CHILDREN FIRST COUNCIL
JEFFERSON COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Jefferson Family and Children First Council
Jefferson County
240 John Scott Highway
Steubenville, Ohio 43952

To the Council:

We have audited the accompanying financial statements of Jefferson Family and Children First Council, Jefferson County, (the Council) as of and for the years 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 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 Jefferson Family and Children First Council, Jefferson County, 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 May 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.

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

May 2, 2003

**FAMILY AND CHILDREN FIRST COUNCIL
JEFFERSON 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>	
Cash Receipts:			
Intergovernmental	\$20,000	\$492,623	\$512,623
Other Revenue	45,000		45,000
	<u>65,000</u>	<u>492,623</u>	<u>557,623</u>
Total Cash Receipts			
	<u>65,000</u>	<u>492,623</u>	<u>557,623</u>
Cash Disbursements:			
Current:			
Purchased Services	65,388	445,467	510,855
	<u>65,388</u>	<u>445,467</u>	<u>510,855</u>
Total Cash Disbursements			
	<u>65,388</u>	<u>445,467</u>	<u>510,855</u>
Total Receipts Over/(Under) Disbursements	<u>(388)</u>	<u>47,156</u>	<u>46,768</u>
Fund Cash Balances, January 1	<u>5,866</u>	<u>5,146</u>	<u>11,012</u>
Fund Cash Balances, December 31	<u>\$5,478</u>	<u>\$52,302</u>	<u>\$57,780</u>

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

FAMILY AND CHILDREN FIRST COUNCIL
JEFFERSON 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	\$278,518	\$298,518
Other Revenue	105,350		105,350
	<u>125,350</u>	<u>278,518</u>	<u>403,868</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Purchased Services	173,449	287,034	460,483
	<u>173,449</u>	<u>287,034</u>	<u>460,483</u>
Total Cash Disbursements			
	<u>173,449</u>	<u>287,034</u>	<u>460,483</u>
Total Receipts Over/(Under) Disbursements	<u>(48,099)</u>	<u>(8,516)</u>	<u>(56,615)</u>
Fund Cash Balances, January 1	<u>53,965</u>	<u>13,662</u>	<u>67,627</u>
Fund Cash Balances, December 31	<u><u>\$5,866</u></u>	<u><u>\$5,146</u></u>	<u><u>\$11,012</u></u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
JEFFERSON 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 a County Family and Children First Council. 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 commissioners 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 job and family services;
- d. The executive director of the county agency responsible for the administration of the children services pursuant to § 5153.15 of the Ohio Revised Code;
- 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 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 § 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 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
JEFFERSON 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 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. Participate in the development of a countywide, comprehensive, coordinated, multidisciplinary, interagency system for infants and toddlers with developmental disabilities or delays in their families, as established pursuant to federal grants received and administered by the department for early intervention services under the "Education of the Handicapped Act amendments of 1986";
- e. Maintain 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 Jefferson County Family and Children First Council was organized with the required statutory membership on June 12, 1995.

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. Fiscal Agent

The Jefferson County Children Services Board serves as fiscal agent for the Council. The Jefferson County Auditor is the designated fiscal agent for Children Services Board.

**CHILDREN AND FAMILY FIRST COUNCIL
JEFFERSON 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 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 Fund - This fund is used to account for revenue and expenditures of a state grant.

Help Me Grow Grant Fund - This fund is used to account for revenue and expenditures of a state grant.

E. Budgetary Process

Each county council designates an administrative agency for the council. The council shall file an annual budget with its administrative agent with copies filed with the county auditor and with the board of county commissioners. The council's administrative agent shall ensure that all expenditures are handled in accordance with policies, procedures and activities prescribed by the state department in rules or interagency agreements that are applicable to the council's functions.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

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Auditor of State Betty Montgomery

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

Jefferson Family and Children First Council
Jefferson County
240 John Scott Highway
Steubenville, Ohio 43952

To the Members of Council:

We have audited the accompanying financial statements of Jefferson Family and Children First Council, Jefferson County, (the Council) as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated May 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*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Council in a separate letter dated May 2, 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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Council in a separate letter dated May 2, 2003.

Jefferson Family and Children First Council
Jefferson County
Independent Accountants' Report 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 the audit committee, 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

May 2, 2003



**Auditor of State
Betty Montgomery**

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JEFFERSON FAMILY AND CHILDREN FIRST COUNCIL

JEFFERSON 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
JUNE 26, 2003**