



**FAMILY AND CHILDREN FIRST COUNCIL
BELMONT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1998-1997



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Family and Children First Council
Belmont County
410 Fox Shannon Place
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To the Members of Council :

We have audited the accompanying financial statements of the Family and Children First Council, Belmont County, Ohio, (the Council) as of and for the years ended December 31, 1998 and December 31, 1997. 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 generally accepted auditing standards 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, Belmont County, as of December 31, 1998 and December 31, 1997, 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 January 12, 2000, 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.

This report is intended solely for the information and use of management, the Council, the administrative agent 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.

JIM PETRO
Auditor of State

January 12, 2000

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental		\$193,667	\$193,667
Interest	531		531
Total Cash Receipts	<u>531</u>	<u>193,667</u>	<u>194,198</u>
Cash Disbursements:			
Current:			
Salaries/Benefits	15,963		15,963
Office Supplies/Postage/Janitorial	1,540		1,540
Maintenance Agreements	163		163
Equipment Rentals	179		179
Allocated Equipment Depreciation	170		170
Contractual Services	714	152,957	153,671
Travel/Expenses	419		419
Insurance	37		37
Parent Stipends	50		50
Governing Board Expenses	1,165		1,165
Other	2,346	554	2,900
Total Cash Disbursements	<u>22,746</u>	<u>153,511</u>	<u>176,257</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	(22,215)	40,156	17,941
Fund Cash Balances, January 1	<u>29,555</u>	<u>5,082</u>	<u>34,637</u>
Fund Cash Balances, December 31	<u>\$7,340</u>	<u>\$45,238</u>	<u>\$52,578</u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1997**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$35,500	\$79,649	\$115,149
Interest	221		221
Total Cash Receipts	<u>35,721</u>	<u>79,649</u>	<u>115,370</u>
Cash Disbursements:			
Current:			
Salaries/Benefits	10,804		10,804
Office Supplies/Postage/Janitorial	3,918		3,918
Maintenance Agreements	72		72
Equipment Rentals	6		6
Allocated Equipment Depreciation	223		223
Contractual Services	1,066	75,841	76,907
Grant Funds Returned to State		2,238	2,238
Travel/Expenses	542		542
Insurance	51		51
Parent Stipends	150		150
Governing Board Expenses	590		590
Other	150		150
Total Cash Disbursements	<u>17,572</u>	<u>78,079</u>	<u>95,651</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	18,149	1,570	19,719
Fund Cash Balances, January 1	<u>11,406</u>	<u>3,512</u>	<u>14,918</u>
Fund Cash Balances, December 31	<u>\$29,555</u>	<u>\$5,082</u>	<u>\$34,637</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997**

1. 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 percent of the Council's remaining membership.

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.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997
(Continued)

1. DESCRIPTION OF THE ENTITY (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. Participants 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";
- 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 within the County system.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 cash 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.

B. Fund Accounting

The Council uses fund accounting to segregate cash that is restricted as to use. The Council classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes.

The Council maintains a separate special revenue fund for each program that is awarded to the Council that is either entirely or partially funded from federal sources. During 1998, the following programs were awarded to the Council: Ohio Wellness Block Planning Grant and the Early Start Intervention Grant. During 1997, the Ohio Wellness Block Planning Grant was the only program awarded to the Council.

C. Fiscal Agent

The Council designates fiscal agents for all funds received in the name of the Council. The Belmont County Department of Human Services served as the fiscal agent for the Council for the period of January 1, 1997 through December 31, 1998. The Belmont County Department of Human Services was designated fiscal agent of the following grants received by the Council:

<u>Fund/Description</u>	<u>Year Receive</u>	<u>Amount</u>
<u>Special Revenue Fund</u>		
Ohio Wellness Block Planning Grant	1998	\$93,667
Early Start Intervention Grant	1998	100,000
Ohio Wellness Block Planning Grant	1997	119,473

D. Administrative Agent

The Belmont County Department of Human Services has entered into a contract with the Community Action Commission of Belmont County to provide administrative services for the Council. Under this agreement, the Belmont County Department of Human Services agrees to grant the Community Action Commission of Belmont County the amount of funding to be received from the Ohio Family and Children First (OCFC) Service Coordination Grant to provide administrative services in the name of the Council. The Community Action Commission was designated administrative agent for the following grants received by the Council:

<u>Fund/Description</u>	<u>Year Receive</u>	<u>Amount</u>
<u>General Fund</u>		
Family and Children First Service Coordination Grant	1997	\$17,000
Family and Children First Service Coordination Grant	1997	18,500

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997
(Continued)

3. EQUITY IN POOLED CASH

A. Belmont County Department of Human Services

The Belmont County Department of Human Services is part of the cash pool used by all of Belmont County's funds, including those of the Belmont County Family and Children First Council. The Ohio Wellness Block Planning Grant and the Early Start Intervention Grant are accounted for in the Children Services and Public Assistance Funds, respectively, of Belmont County. The Council's carrying amount of cash on deposit at December 31, 1998 and December 31, 1997, was \$89,366 and \$44,906, respectively. These carrying amounts are based on the audited financial statements due to the County not accounting for Family and Children First monies separately from those of the Children Service and Public Assistance funds. The Ohio Revised Code prescribes allowable deposits and investments. Belmont County, as the fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in the Belmont County pooled cash and deposit accounts.

B. Community Action Commission of Belmont County

The Community Action Commission of Belmont County maintains a common cash account for the Commission's programs, separate accountability for the receipt, obligation, and expenditure of funds is maintained for each program as required in U.S. Department of Health and Human Services regulation 74.22 (i)(1). The Council's carrying amount of cash on deposit with the Commission at December 31, 1998 and December 31, 1997, was \$7,340 and \$29,555, respectively. The Belmont County Community Action Commission, as the administrative agent for the Council, is responsible for maintaining adequate depository collateral for all funds in pooled cash and deposit accounts.

All Community Action Commission grant funds are maintained in an FDIC insured account. Additional collateral covering balances in excess of \$100,000 is pledged by the financial institution with whom deposits are made.

4. RETIREMENT SYSTEMS

The Community Action Commission of Belmont County, Inc. is a private non-profit entity, and therefore employees of the Community Action Commission paid with Family and Children First Service Coordination Grant funds are not eligible to participate in the Public Employment Retirement System of Ohio.

The Community Action Commission of Belmont County, Inc. maintains a defined contribution 403 (b) Tax Sheltered Annuity Program to which it contributes 6% of a qualifying employee's gross wages. The Program Coordinator contributed \$100 which, for the year, equaled less than 1% of her gross wages.



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

Family and Children First Council
Belmont County
410 Fox Shannon Place
St. Clairsville, Ohio 43950

To the Members of the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Belmont County, Ohio (the Council), as of and for the years ended December 31, 1998 and December 31, 1997, and have issued our report thereon dated January 12, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 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 January 12, 2000.

This report is intended for the information and use of management, the Council, and the administrative agent, and is not intended to be and should not be used by anyone other than these specified parties.

JIM PETRO
Auditor of State

January 12, 2000



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FAMILY AND CHILDREN FIRST COUNCIL

BELMONT 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
MARCH 14, 2000**