



**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

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

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, 2000 and 1999. 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 2, 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, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 6, 2001, 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 management, the members of 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.

**Jim Petro**  
Auditor of State

July 6, 2001

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**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$20,000	\$313,217	\$333,217
Total Cash Receipts	<u>20,000</u>	<u>313,217</u>	<u>333,217</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries/Benefits		2,882	2,882
Contractual Services	40,000	466,289	506,289
Grant Funds Returned to State		7,355	7,355
Total Cash Disbursements	<u>40,000</u>	<u>476,526</u>	<u>516,526</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(20,000)</u>	<u>(163,309)</u>	<u>(183,309)</u>
<b>Other Financing Receipts:</b>			
Refund Prior Year Expenditure		31	31
State Reconciliation Adjustment		123,075	123,075
Total Other Financing Receipts	<u>0</u>	<u>123,106</u>	<u>123,106</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(20,000)	(40,203)	(60,203)
Fund Cash Balances, January 1	<u>7,340</u>	<u>(49,029)</u>	<u>(41,689)</u>
<b>Fund Cash Balances, December 31</b>	<b><u>(\$12,660)</u></b>	<b><u>(\$89,232)</u></b>	<b><u>(\$101,892)</u></b>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$20,000	\$312,544	\$332,544
Other		4,926	4,926
	<u>20,000</u>	<u>317,470</u>	<u>337,470</u>
<b>Total Cash Receipts</b>			
	<u>20,000</u>	<u>317,470</u>	<u>337,470</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries/Benefits		10,717	10,717
Maintenance Agreements		14,721	14,721
Equipment Rentals		1,620	1,620
Contractual Services	20,000	384,378	404,378
Grant Funds Returned to State		475	475
		<u>475</u>	<u>475</u>
<b>Total Cash Disbursements</b>	<u>20,000</u>	<u>411,911</u>	<u>431,911</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>0</u>	<u>(94,441)</u>	<u>(94,441)</u>
<b>Other Financing Receipts:</b>			
Refund Prior Year Expenditure		174	174
		<u>174</u>	<u>174</u>
<b>Total Other Financing Receipts</b>	<u>0</u>	<u>174</u>	<u>174</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements</b>	<u>0</u>	<u>(94,267)</u>	<u>(94,267)</u>
<b>Fund Cash Balances, January 1</b>	<u>7,340</u>	<u>45,238</u>	<u>52,578</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$7,340</b></u>	<u><b>(\$49,029)</b></u>	<u><b>(\$41,689)</b></u>

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



**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**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 Job and Family 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 municipal corporation with the largest population 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 Ohio 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; and
- o. An Executive Director of a non-profit agency that funds, advocates, or provides services to children and families.

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. DESCRIPTION OF THE ENTITY (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 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; and
- 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**

The financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursement basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made 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 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 by law or contract to be restricted.

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(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 Special Revenue Funds for 2000 and 1999 are as follows:

Ohio Wellness Block Grant Fund - This fund receives a state grant to focus on reducing teenage pregnancy and provide latitude to local Councils to make decisions for funding prevention services.

Early Start Grant Fund - This fund receives contract service funds from the Belmont County Department of Job and Family Services to be used for families with children ages birth to three years and pregnant women who are at risk for abuse, neglect or developmental delay.

Welcome Home Grant Fund - This fund receives state grant funds to be used to aid first time and teen mothers in adjusting to living with and caring for a newborn.

**C. Administrative/Fiscal Agent**

Section 121.37 (B)(4), Revised Code, requires each County Council to designate an administrative agent for the Council. The Belmont County Department of Job and Family Services serves as administrative agent for the Council, and the Belmont County Auditor is the designated fiscal agent for the Belmont County Department of Job and Family Services. Belmont County maintains Council funds in a Special Revenue Fund on the County's financial records. The administrative agent agrees to:

- a. Serve as the Council's appointing authority;
- b. Exercise spending authority within the limits of the annual budget developed and approved by the Council; and
- c. Perform the following on behalf of Council, but only upon the expressed approval of and direction by Council:
  - Enter into written agreements or administer contracts with public or private entities to fulfill Council business;
  - Provide financial stipends, reimbursements, or both, to family representatives for expenses related to Council activity; and
  - Receive by gift, grant, devise, or bequest any moneys, land, or other property for the purposes for which the Council is established.

**D. Fund Deficits**

The General Fund and Early Start Grant Fund had negative fund balances at December 31, 2000, of \$12,660 and \$107,341, respectively, while in 1999, the Early Start Grant Fund had a deficit of \$118,739. These deficits are due primarily to differences between projected expenditures by the Council's administrative agent and allocations received from the Ohio Department of Job and Family Services (ODJFS) as receipted into the Belmont County Public Assistance Fund.

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Deficits (Continued)**

ODJFS guarantees reimbursement for expenditures up to an allocated amount as long as spending limits for the Council's funds are not exceeded. These reimbursements from ODJFS may occur in another fiscal year. Sufficient cash existed from other monies in the Belmont County Public Assistance Fund to meet all obligations of the Council for the period.

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

In accordance with Ohio Revised Code, the Council's cash is held and invested by the Belmont 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 Treasurer's reported carrying amount. The County Treasurer is responsible for securing and maintaining adequate collateral for all funds in the Belmont County cash and investment pool.

**4. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



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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 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, 2000 and 1999, and have issued our report thereon dated July 6, 2001. 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 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 July 6, 2001.

**Internal Control Over Financial Report**

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 July 6, 2001.

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

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

**Jim Petro**  
Auditor of State

July 6, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**BELMONT COUNTY 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  
AUGUST 23, 2001**