



**FAMILY AND CHILDREN FIRST COUNCIL  
MORGAN 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  
MORGAN COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Family and Children First Council  
Morgan County  
15 Third Street  
P.O. Box 398  
Malta, Ohio 43758

To the Council:

We have audited the accompanying financial statement of the Family and Children First Council, Morgan County, Ohio (the Council), as of and for the years ended December 31, 2000 and 1999. This financial statement is the responsibility of the Council's management. Our responsibility is to express an opinion on this financial statement 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 statement 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 statement referred to above presents fairly, in all material respects, the combined fund cash balances of the Family and Children First Council, Morgan 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 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 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 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

June 30, 2001

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**FAMILY AND CHILDREN FIRST COUNCIL  
MORGAN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUND TYPE  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	<b>Governmental Fund Type</b>	
	<b>Special Revenue</b>	<b>Special Revenue</b>
	<b>2000</b>	<b>1999</b>
<b>Cash Receipts:</b>		
Intergovernmental	\$ 219,266	\$ 185,029
Interest	709	1,266
Miscellaneous	<u>                    </u>	<u>1,932</u>
Total Cash Receipts	<u>219,975</u>	<u>188,227</u>
<b>Cash Disbursements:</b>		
Salaries	14,316	21,388
Fringe Benefits	77	81
Travel	1,939	2,613
Equipment and Maintenance		27
Audit	2,227	548
Supplies		42
Insurance		100
Utilities		498
Contractual - Client Services	154,635	114,437
Direct - Client Services	31,645	14,336
Miscellaneous	<u>8,700</u>	<u>3,139</u>
Total Cash Disbursements	<u>213,539</u>	<u>157,209</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>6,436</u>	<u>31,018</u>
<b>Other Financing Receipts/(Disbursements):</b>		
Funds Returned to Grantor	<u>(50,057)</u>	<u>(26,787)</u>
Total Other Financing Receipts/(Disbursements)	<u>(50,057)</u>	<u>(26,787)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(43,621)	4,231
Fund Cash Balances, January 1	<u>115,543</u>	<u>111,312</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 71,922</u></b>	<b><u>\$ 115,543</u></b>

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

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**FAMILY AND CHILDREN FIRST COUNCIL  
MORGAN COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Ohio Rev. Code Section 121.37 created the Ohio Family and Children First Cabinet Council and permitted the Board of County Commissioners in each County to establish County Family and Children First Councils. A Board of County Commissioners 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 its County Council. Each County Council must include the following individuals:

1. At least three individuals whose families are or have received services from an agency which is represented on the Council or another County's Council. Where possible, the number of members representing families shall be equal to twenty per cent of the Council's membership;
2. The Director of the Board of Alcohol, Drug Addiction, and Mental Health Services (ADAMH) that serves the County, or, in the case of a County that has an ADAMH Board and a Community Mental Health Board, the Directors of both Boards. If the ADAMH Board covers more than one County, the Director may designate a person to participate on the County's Council;
3. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each City and General Health District in the County. If the County has more than two health districts, the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
4. The Director of the County Department of Job and Family Services;
5. The Executive Director of the County agency responsible for the administration of children's services pursuant to Ohio Rev. Code Section 5153.15;
6. The Superintendent of the County Board of Mental Retardation and Developmental Disabilities;
7. The County's Juvenile Court Judge senior in service or another judge of the Juvenile Court designated by the Administrative Judge or, where there is no Administrative Judge, by the Judge senior in service;
8. The Superintendent of the City, Exempted Village, or Local School District with the largest numbers of pupils residing in the County, as determined by the Ohio Department of Education at least biennially;
9. 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;
10. A representative of the municipal corporation with the largest population in the County;
11. The President of the Board of County Commissioners, or an individual designated by the Board;
12. A representative from the regional office of the Ohio Department of Youth Services;
13. A representative of the County's Head Start Agencies, as defined in Ohio Rev. Code Section 3301.31;
14. 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 of 1986"; and,
15. A representative of a local nonprofit entity that funds, advocates or provides services to children and families.

**FAMILY AND CHILDREN FIRST COUNCIL  
MORGAN COUNTY**

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

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

**A. Description of the Entity (Continued)**

A County Council's statutory responsibilities include the following:

1. Refer to the Cabinet Council those children for whom the Council cannot provide adequate services;
2. Develop and implement a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;
3. Participate in the development of a countywide, 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";
4. Maintain an accountability system to monitor the Council's progress in achieving results for families and children; and,
5. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the County system.

**B. Basis of Accounting**

The financial statement follows 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.

This statement includes 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 and investments that are restricted as to use. The Council classifies its funds into the following types:

**Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Council had the following significant Special Revenue Funds:

*Ohio Wellness Block Grant Fund* - This fund is used to account for 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 is used to account for federal and state grant funds 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.

**FAMILY AND CHILDREN FIRST COUNCIL  
MORGAN COUNTY**

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

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

**C. Fund Accounting (Continued)**

**Special Revenue Funds (Continued)**

*Family Stability Grant Fund* - This fund is used to account for state grant funds to be used to reduce the number of children removed from their homes, to encourage the development of interagency diversion teams to provide appropriate services and support to prevent such removals.

*Administrative Grant Fund* - This fund is used to account for state grant funds to be used for parental involvement, administrative support, or training.

**D. Fiscal and Administrative Agents**

The Community Action Program Corporation of Washington-Morgan Counties, Ohio, serves as the fiscal agent for the Council. The Morgan County Commissioners serve as the administrative agent for the Council.

**E. Pooled Cash and Investments**

The Council's cash and investments are maintained by the Washington-Morgan County Community Action Program Corporation, its fiscal agent. The Ohio Revised Code prescribes allowable deposits and investments and the Council is responsible for compliance. As of December 31, 2000 and 1999, the Council's share of the Washington-Morgan County Community Action Program Corporation's cash and investment pool was as follows:

	<u>2000</u>	<u>1999</u>
Demand Deposits	<u>\$ 71,922</u>	<u>\$ 115,543</u>

All risks associated with such deposits are the responsibility of the Council.

**F. Budgetary Activity**

The Council is required by law to file an annual estimate of expenditures and revenue with Morgan County. This estimate is to be adopted by the Council and the Morgan County Commissioners. The Council and County Commissioners approve any changes made to this estimate during the year. The County Commissioners ensure that the Council's expenditures do not exceed appropriations. The Council did not file the required budget in 1999 or 2000. As a result, budgetary comparisons have not been presented.

**FAMILY AND CHILDREN FIRST COUNCIL  
MORGAN COUNTY**

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

**2. RETIREMENT SYSTEM**

**Social Security Retirement System**

Community Action Program Corporation of Washington-Morgan Counties, Ohio, is a not-for-profit agency and does not participate in the Public Employees Retirement System (PERS). As the fiscal agent for the Council, Community Action served as employer for Council personnel. The Council's employees contribute to Social Security and Medicare.

The Service Coordinator contributed 6.2% of gross salary to Social Security and 1.45% of gross salary to Medicare. Community Action Program Corporation of Washington-Morgan Counties, Ohio, contributed an amount equal to 6.2% and 1.45% of participants' gross salaries. The Council (fiscal agent) has paid all contribution required through December 31, 2000.



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

Family and Children First Council  
Morgan County  
15 Third Street  
P.O. Box 398  
Malta, Ohio 43758

To the Council:

We have audited the accompanying financial statement of the Family and Children First Council, Morgan County, Ohio (the Council), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 30, 2001. 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 statement is 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 June 30, 2001.

**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 statement 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 June 30, 2001.

Family and Children First Council  
Morgan County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
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This report is intended for the information and use of management and the Council, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

June 30, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**FAMILY AND CHILDREN FIRST COUNCIL**

**MORGAN 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 21, 2001**