



Dave Yost • Auditor of State



**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances - All Governmental Fund Types FYE 12/31/2016 .....	3
Notes to the Financial Statements FYE 12/31/2016 .....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances - All Governmental Fund Types FYE 12/31/2015 .....	11
Notes to the Financial Statements FYE 12/31/2015 .....	13
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	19

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Members of the Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Family and Children First Council, Belmont County, Ohio (the Council), as of and for the years ended December 31, 2016 and 2015.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Council's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the Council prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Council does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Council as of December 31, 2016 and 2015, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Family and Children First Council, Belmont County, Ohio, as of December 31, 2016 and 2015, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2017, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

April 4, 2017

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Intergovernmental	\$15,750	\$54,498	\$70,248
Intergovernmental (GRF. - Ohio Dept. of Health)	0	13,755	13,755
Intergovernmental (Part C - Ohio Dept. Of Health)	0	69,067	69,067
Intergovernmental (Healthier Buckeye Council)	0	18,409	18,409
<i>Total Cash Receipts</i>	<u>15,750</u>	<u>155,729</u>	<u>171,479</u>
<b>Cash Disbursements</b>			
Contractual Services	15,750	155,636	171,386
<i>Total Cash Disbursements</i>	<u>15,750</u>	<u>155,636</u>	<u>171,386</u>
<i>Net Change in Fund Cash Balances</i>	0	93	93
<i>Fund Cash Balances, January 1</i>	<u>18,250</u>	<u>55,831</u>	<u>74,081</u>
<b>Fund Cash Balances, December 31:</b>			
Restricted	0	67,345	67,345
Unassigned (Deficit)	18,250	(11,421)	6,829
<i>Fund Cash Balances, December 31</i>	<u><u>\$18,250</u></u>	<u><u>\$55,924</u></u>	<u><u>\$74,174</u></u>

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

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**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**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 required each Board of County Commissioners to establish a County Family and Children First Council. Statutory membership of County Council consists of the following individuals:

- a. 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 percent of the Council's remaining membership;
- b. 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. If a Board of Alcohol, Drug Addiction and Mental Health Services covers more than one County, the Director may designate a person to participate on the County's council;
- c. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each City or General Health District in the County. If the County has two or more health districts the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
- d. The Director of the County Department of Job and Family Services;
- e. The Executive Director of the public children services agency or the County agency responsible for the administration of children services pursuant to the Ohio Revised Code §5153.15;
- f. The Superintendent of the County Board of Developmental Disabilities or if the Superintendent serves as Superintendent of more than one County Board of Developmental Disabilities, the Superintendent's designee;
- 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 Ohio 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 President 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 Ohio Revised Code §3301.32;
- m. A representative of the County's Early Intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004"; and
- n. A representative of the local non-profit entity that funds, advocates or provides services to children and families.

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(Continued)**

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

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

A County Family and Children First Council may invite 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.

On April 6, 2016, the Belmont County Board of Commissioners passed a resolution authorizing the Belmont County Family and Children First Council to organize and serve as the Belmont County Healthier Buckeye Council in accordance with Ohio Rev. Code §355.02.

The Belmont County Healthier Buckeye Council applied for and received a \$334,000.00 grant for the period of July 1, 2016 through June 30, 2017 to promote the development of self-sufficiency and reduce reliance on public assistance through a community environment that maximizes opportunities for individuals and families to achieve optimal health.

The Ohio Department of Job and Family Services and Belmont County Healthier Buckeye Council entered into an agreement in July, 2016 (Grant G-1617-17-5642).

The purpose of the County Council is to streamline and coordinate existing government services for families seeking services for their children. In seeking to fulfill its purpose, a Council shall provide the following:

- a. Referrals to the Cabinet Council of those children for whom the County Council cannot provide adequate services;
- b. Development and implementation of 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;
- c. Participation in the development of a countywide, comprehensive and coordinated, multidisciplinary interagency system for infants and toddlers with development 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 "Individuals with Disabilities Education Act of 2004";
- d. Maintenance of an accountability system to monitor the County Council's progress in achieving results for families and children; and
- e. Establishment of a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the County system.

**B. Basis of Accounting**

These financial statements following the accounting basis permitted by the financial reporting provisions of Ohio Revised Code §117.38 and Ohio Administrative Code §117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Council recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters as the financial reporting provisions of Ohio Revised Code §117.38 and Ohio Administrative Code §117-2-03(D) permit.

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(Continued)**

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

**C. Fund Accounting**

The Council uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Councils classifies its funds into the following types:

**General Fund** – The General Fund is the operating fund of the Council. It is used to account for and report all financial resources not accounted for and reported in another fund.

**Special Revenue Funds** – These funds are used to account for and report specific resources (other than from trusts or for capital projects) that are restricted or committed to expenditure for specified purposes. The Council had the following significant Special Revenue Fund:

Help Me Grow Grant Fund – This fund receives state and federal grant monies restricted to the purpose of the grant provisions.

System of Care Grant Fund – This fund receives grant monies restricted for maintaining children and youth in their homes and communities by meeting the multi-systemic needs of children receiving service coordination.

**D. Administrative/Fiscal Agent**

Ohio Revised Code §121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council has selected the Belmont County Department of Job and Family Services to serve as administrative agency 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 the 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 expressed approval of and direction by the Council:
  - Enters 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;
  - Receive by gift, grant, devised or bequest any monies and/or other property for the purposes for which the Council is established.

**E. Budgetary Process**

A Family and Children First Council established under Ohio Revised Code §121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. The Council filed an estimate of financial resources and an appropriation measure with the Belmont County Auditor.

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(Continued)**

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

**F. Cash and Investments**

The Council designated the Belmont County Auditor as the fiscal agent for all funds received in the name of the Council. Deposits of monies are made with the Belmont County Treasurer and fund expenditures and balances are reported through the Belmont County Auditor. Deposits and investments are made in accordance with the Ohio Revised Code and are valued at the fiscal agent's carrying amount.

**G. Fund Balance**

Fund balance is divided into two classifications based primarily on the extent to which the Council must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**Restricted** – Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments; or is imposed by law through constitutional provisions or enabling legislation.

**Unassigned** – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from the overspending for specific purposes for which amounts had been restricted, committed or assigned.

The Council applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**2. EQUITY IN POOLED CASH**

The Belmont County Auditor, as fiscal agent for the Council, maintains a cash pool used by all of the Belmont County Auditor's funds including those of the Council. The Ohio Revised Code prescribes allowable deposits and the Belmont County Auditor is responsible for compliance. The carrying amount of deposits at December 31 was as follows:

	<u>2016</u>
Demand Deposits	<u>\$74,174</u>

The fiscal agent is responsible for maintaining adequate depository collateral for all funds in the fiscal agent's pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the fiscal agent.

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2016 follows:

Fund Type	2016 Budgeted vs Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 15,750	\$ 15,750	\$0
Special Revenue	478,801	155,729	(323,072)
Total	<u>\$494,551</u>	<u>\$171,479</u>	<u>(323,072)</u>

Fund Type	2016 Budgeted vs Actual Budgetary Basis Expenditure		
	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 15,750	\$ 15,750	\$0
Special Revenue	481,689	155,636	326,053
Total	<u>\$497,439</u>	<u>\$171,386</u>	<u>\$326,053</u>

**4. CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantor may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Intergovernmental	\$15,750	\$36,252	\$52,002
Intergovernmental (GRF. - Ohio Dept. of Health)	0	42,609	42,609
Intergovernmental (Part C - Ohio Dept. Of Health)	0	49,415	49,415
<i>Total Cash Receipts</i>	<u>15,750</u>	<u>128,276</u>	<u>144,026</u>
<b>Cash Disbursements</b>			
Contractual Services	15,750	135,118	150,868
<i>Total Cash Disbursements</i>	<u>15,750</u>	<u>135,118</u>	<u>150,868</u>
<i>Net Change in Fund Cash Balances</i>	0	(6,842)	(6,842)
<i>Fund Cash Balances, January 1</i>	<u>18,250</u>	<u>62,673</u>	<u>80,923</u>
<b>Fund Cash Balances, December 31:</b>			
Restricted	0	65,074	65,074
Unassigned (Deficit)	18,250	(9,243)	9,007
<i>Fund Cash Balances, December 31</i>	<u><u>\$18,250</u></u>	<u><u>\$55,831</u></u>	<u><u>\$74,081</u></u>

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

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**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**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 required each Board of County Commissioners to establish a County Family and Children First Council. Statutory membership of County Council consists of the following individuals:

- a. 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 percent of the Council's remaining membership;
- b. 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. If a Board of Alcohol, Drug Addiction and Mental Health Services covers more than one County, the Director may designate a person to participate on the County's council;
- c. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each City or General Health District in the County. If the County has two or more health districts the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
- d. The Director of the County Department of Job and Family Services;
- e. The Executive Director of the public children services agency or the County agency responsible for the administration of children services pursuant to the Ohio Revised Code §5153.15;
- f. The Superintendent of the County Board of Developmental Disabilities or if the Superintendent serves as Superintendent of more than one County Board of Developmental Disabilities, the Superintendent's designee;
- 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 Ohio 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 President 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 Ohio Revised Code §3301.32;
- m. A representative of the County's Early Intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004"; and
- n. A representative of the local non-profit entity that funds, advocates or provides services to children and families.

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(Continued)**

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

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

A County Family and Children First Council may invite 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.

On April 6, 2016, the Belmont County Board of Commissioners passed a resolution authorizing the Belmont County Family and Children First Council to organize and serve as the Belmont County Healthier Buckeye Council in accordance with Ohio Rev. Code §355.02.

The Belmont County Healthier Buckeye Council applied for and received a \$334,000.00 grant for the period of July 1, 2016 through June 30, 2017 to promote the development of self-sufficiency and reduce reliance on public assistance through a community environment that maximizes opportunities for individuals and families to achieve optimal health.

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- b. Development and implementation of 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;
- c. Participation in the development of a countywide, comprehensive and coordinated, multidisciplinary interagency system for infants and toddlers with development 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 "Individuals with Disabilities Education Act of 2004";
- d. Maintenance of an accountability system to monitor the County Council's progress in achieving results for families and children; and
- e. Establishment of a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the County system.

**B. Basis of Accounting**

These financial statements following the accounting basis permitted by the financial reporting provisions of Ohio Revised Code §117.38 and Ohio Administrative Code §117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Council recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters as the financial reporting provisions of Ohio Revised Code §117.38 and Ohio Administrative Code §117-2-03(D) permit.

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(Continued)**

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

**C. Fund Accounting**

The Council uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Councils classifies its funds into the following types:

**General Fund** – The General Fund is the operating fund of the Council. It is used to account for and report all financial resources not accounted for and reported in another fund.

**Special Revenue Funds** – These funds are used to account for and report specific resources (other than from trusts or for capital projects) that are restricted or committed to expenditure for specified purposes. The Council had the following significant Special Revenue Fund:

Help Me Grow Grant Fund – This fund receives state and federal grant monies restricted to the purpose of the grant provisions.

System of Care Grant Fund – This fund receives grant monies restricted for maintaining children and youth in their homes and communities by meeting the multi-systemic needs of children receiving service coordination.

**D. Administrative/Fiscal Agent**

Ohio Revised Code §121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council has selected the Belmont County Department of Job and Family Services to serve as administrative agency 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 the 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 expressed approval of and direction by the Council:
  - Enters 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;
  - Receive by gift, grant, devised or bequest any monies and/or other property for the purposes for which the Council is established.

**E. Budgetary Process**

A Family and Children First Council established under Ohio Revised Code §121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. The Council filed an estimate of financial resources and an appropriation measure with the Belmont County Auditor.

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(Continued)**

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

**F. Cash and Investments**

The Council designated the Belmont County Auditor as the fiscal agent for all funds received in the name of the Council. Deposits of monies are made with the Belmont County Treasurer and fund expenditures and balances are reported through the Belmont County Auditor. Deposits and investments are made in accordance with the Ohio Revised Code and are valued at the fiscal agent's carrying amount.

**G. Fund Balance**

Fund balance is divided into two classifications based primarily on the extent to which the Council must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**Restricted** – Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments; or is imposed by law through constitutional provisions or enabling legislation.

**Unassigned** – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from the overspending for specific purposes for which amounts had been restricted, committed or assigned.

The Council applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**2. EQUITY IN POOLED CASH**

The Belmont County Auditor, as fiscal agent for the Council, maintains a cash pool used by all of the Belmont County Auditor's funds including those of the Council. The Ohio Revised Code prescribes allowable deposits and the Belmont County Auditor is responsible for compliance. The carrying amount of deposits at December 31 was as follows:

	<u>2015</u>
Demand Deposits	<u>\$74,081</u>

The fiscal agent is responsible for maintaining adequate depository collateral for all funds in the fiscal agent's pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the fiscal agent.

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2015 follows:

Fund Type	2015 Budgeted vs Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 15,750	\$ 15,750	\$0
Special Revenue	167,883	128,276	(39,607)
Total	<u>\$183,633</u>	<u>\$144,026</u>	<u>(39,607)</u>

Fund Type	2015 Budgeted vs Actual Budgetary Basis Expenditure		
	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 15,750	\$ 15,750	\$0
Special Revenue	167,883	135,118	32,765
Total	<u>\$183,633</u>	<u>\$150,868</u>	<u>\$32,765</u>

**4. CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantor may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Members of Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Family and Children First Council, Belmont County, Ohio (the Council), as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated April 4, 2017 wherein we noted the Council followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Council's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Council's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

### ***Compliance and Other Matters***

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts.

However, opining on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

April 4, 2017



# Dave Yost • Auditor of State

**BELMONT COUNTY FAMILY AND CHILDREN FIRST**

**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  
MAY 4, 2017**