



OHIO AUDITOR OF STATE  
**KEITH FABER**





**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Family and Children First Council  
Belmont County  
68145 Hammond Road  
St. Clairsville, Ohio 43950

To the Members of Council:

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

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of the Family and Children First Council, Belmont County, Ohio (the Council).

### ***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 such 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.

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, 2020 and 2019, and the respective 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 cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of the Council, 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.

***Emphasis of Matter***

As discussed in Note 6 and 5 to the financial statements for 2020 and 2019, respectively, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Council. We did not modify our opinion regarding this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2021, 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

August 6, 2021

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**BELMONT COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
 AND CHANGES IN FUND CASH BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2020**

**GOVERNMENTAL FUND TYPES**

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
<b>Cash Receipts</b>			
Intergovernmental	<u>\$ 15,750</u>	<u>\$ 306,072</u>	<u>\$ 321,822</u>
Total Cash Receipts	<u>15,750</u>	<u>306,072</u>	<u>321,822</u>
<b>Cash Disbursements</b>			
Current:			
Contractual Services	<u>3,928</u>	<u>280,422</u>	<u>284,350</u>
Total Cash Disbursements	<u>3,928</u>	<u>280,422</u>	<u>284,350</u>
Net Change in Fund Cash Balances	11,822	25,650	37,472
Fund Cash Balances January 1	<u>30,421</u>	<u>91,008</u>	<u>121,429</u>
<b>Fund Cash Balance December 31</b>	<u><u>\$ 42,243</u></u>	<u><u>\$ 116,658</u></u>	<u><u>\$ 158,901</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, 2020**

**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;

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

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

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

- m. A representative of the County’s Early Intervention collaborative established pursuant to the federal early intervention program operated und 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.

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.

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.

The Council’s management believes these financial statements present all activities for which the Council is financially accountable.

**B. Basis of Presentation**

The Council’s financial statement consist of a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis).

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

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

**C. 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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.

**D. 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.

Family Centered Support Services (FCSS)/System of Care (SOC) – This fund is a combination of state and federal monies designed to help maintain children in their own homes through the provision of non-clinical, community-based services with a foundation in the System of Care model.

Multi-System Youth – This fund receives state and federal monies restricted to serve youth receiving services through more than one agency representing the council. The funds are restricted to the use specified by the grant provisions.

Flexible Spending Pool – This fund consists of state general revenue fund (GRF) allocations transferred to the council by the local county department of job and family services (CDJFS). The funds are unspent JFS allocations that are permitted, at the discretion of the local CDJFS director, to be transferred to the council and are restricted to purchase of services to meet the needs of children and families per the Ohio FCFC Flexible Spending Pool Guidance issued January 2020.

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

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

**E. 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.

**F. 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 as required by Ohio Law.

A summary of 2020 budgetary activity appears in Note 3.

**G. Deposits 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. Currently, there are not any council investments, only deposits.

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2020  
(Continued)**

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

**H. Fund Balance**

Fund balance is divided into five 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:

**Non-Spendable** – The non-spendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

**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.

**Committed** – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Council. Those committed accounts cannot be used for any other purposes unless the Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** – Amounts in the assigned fund balance classification are intended to be used by Council for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the Council, which includes giving the administrative/fiscal agent the authority to constrain monies for intended purposes.

**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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 5.

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2020  
(Continued)**

**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 amounts of deposits at December 31 was as follows:

	<u>2020</u>
Demand Deposits	<u>\$158,901</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.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2020:

2020 Budgeted vs Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$15,750	\$15,750	\$0
Special Revenue	<u>288,094</u>	<u>306,072</u>	<u>17,978</u>
Total	<u>\$303,844</u>	<u>\$321,822</u>	<u>\$17,978</u>

2020 Budgeted vs Actual Budgetary Basis Expenditure			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$15,750	\$3,928	\$11,822
Special Revenue	<u>409,522</u>	<u>305,422</u>	<u>104,100</u>
Total	<u>\$425,272</u>	<u>\$309,350</u>	<u>\$115,922</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.

**5. FUND BALANCES**

Included in fund balance are amounts the Council cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:



**FAMILY AND CHILDREN FIRST COUNCIL  
 BEL MONT COUNTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED DECEMBER 31, 2020  
 (Continued)**

**5. FUND BALANCES (Continued)**

Fund Balances	Special Revenue
Outstanding Encumbrances	\$25,000

The fund balance of special revenue funds is either restricted or committed. These restricted or committed amounts in the special revenue funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**6. COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Council. In addition, the impact on the Council's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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**BELMONT COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
 AND CHANGES IN FUND CASH BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2019**

**GOVERNMENTAL FUND TYPES**

	General	Special Revenue	Totals
<b>Cash Receipts</b>			
Intergovernmental	\$ 15,750	\$ 190,848	\$ 206,598
Total Cash Receipts	15,750	190,848	206,598
<b>Cash Disbursements</b>			
Current:			
Contractual Services	9,331	193,069	202,400
Total Cash Disbursements	9,331	193,069	202,400
Net Change in Fund Cash Balances	6,419	(2,221)	4,198
Fund Cash Balances January 1	24,002	93,229	117,231
<b>Fund Cash Balances December 31</b>			
Restricted	0	91,008	91,008
Unassigned	30,421	0	30,421
<b>Fund Cash Balance December 31</b>	\$ 30,421	\$ 91,008	\$ 121,429

*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, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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- 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;
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- 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;

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

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

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

- m. A representative of the County’s Early Intervention collaborative established pursuant to the federal early intervention program operated und the “Individuals with Disabilities Education Act of 2004”; and
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- 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.

The Council’s management believes these financial statements present all activities for which the Council is financially accountable.

**B. Basis of Presentation**

The Council’s financial statement consist of a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis).

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

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

**C. 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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.

**D. 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:

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

Family Centered Support Services (FCSS)/System of Care (SOC) – This fund is a combination of state and federal monies designed to help maintain children in their own homes through the provision of non-clinical, community-based services with a foundation in the System of Care model.

**E. 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

**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

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

**E. Administrative/Fiscal Agent (Continued)**

- 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.

**F. 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 as required by Ohio Law.

A summary of 2019 budgetary activity appears in Note 3.

**G. Deposits 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. Currently, there are not any council investments, only deposits.

**H. Fund Balance**

Fund balance is divided into five 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:

**Non-Spendable** – The non-spendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

**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.



**FAMILY AND CHILDREN FIRST COUNCIL  
BELMONT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019  
(Continued)**

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

**H. Fund Balance (Continued)**

**Committed** – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Council. Those committed accounts cannot be used for any other purposes unless the Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** – Amounts in the assigned fund balance classification are intended to be used by Council for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the Council, which includes giving the administrative/fiscal agent the authority to constrain monies for intended purposes.

**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 amounts of deposits at December 31 was as follows:

	<u>2019</u>
Demand Deposits	<u>\$121,429</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 YEARS ENDED DECEMBER 31, 2019  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2019:

2019 Budgeted vs Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$15,750	\$15,750	\$0
Special Revenue	139,338	190,848	51,510
Total	\$155,088	\$206,598	\$51,510

2019 Budgeted vs Actual Budgetary Basis Expenditure			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$15,750	\$9,331	\$6,419
Special Revenue	256,569	218,069	38,500
Total	\$272,319	\$227,400	\$44,919

**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.

**5. SUBSEQUENT EVENTS**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Council. The impact on the Council's financial future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

# OHIO AUDITOR OF STATE KEITH FABER



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Athens, Ohio 45701  
(740) 594-3300 or (800) 441-1389  
SoutheastRegion@ohioauditor.gov

## 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  
68145 Hammond Road  
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 for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of the Family and Children First Council, Belmont County, Ohio (the Council), and have issued our report thereon dated August 6, 2021, wherein we noted the Council followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Council.

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

As part of our financial statement audit, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion 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 financial statements.

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 report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

August 6, 2021



## **Belmont County Family & Children First Council**

Christine Parker, Council Chairperson

Patricia Green-Wallace, Council Coordinator

### **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**DECEMBER 31, 2020 AND 2019**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2018-001	Receipts not posted correctly.	Fully Corrected	The finding was corrected by listing all intergovernmental receipts under the category of Intergovernmental Receipts.

**Administrative Agent: Belmont County Department of Job and Family Services  
68145 Hammond Road, St. Clairsville OH 43950**

# OHIO AUDITOR OF STATE KEITH FABER



**BELMONT COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**BELMONT COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 8/26/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)