



**FAMILY AND CHILDREN FIRST COUNCIL
MORGAN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1998-1997



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FAMILY AND CHILDREN FIRST COUNCIL
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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street
Athens Mall Suite B
Athens, Ohio 45701
Telephone 740-594-3300
800-441-1389
Facsimile 740-594-2110
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Family and Children First Council:

We have audited the accompanying financial statements of the Family and Children First Council, Morgan County, Ohio, (the Council) as of and for the years ended December 31, 1998 and 1997. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the Council prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Family and Children First Council, Morgan County, as of December 31, 1998 and 1997, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 7, 2000, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of management, Council and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specific parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

July 7, 2000

**FAMILY AND CHILDREN FIRST COUNCIL
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
 AND CHANGES IN FUND CASH BALANCES - GOVERNMENTAL FUND TYPE
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Governmental Fund Type
	Special Revenue
Cash Receipts:	
Intergovernmental	\$165,615
Interest	1,090
Donations	22
Total Cash Receipts	166,727
Cash Disbursements:	
Supplies	1,610
Travel	1,452
Salaries	23,565
Benefits	3,644
Contractual Services	31,238
Parent Services	445
Client Assistance	12,804
Insurance	113
Equipment Maintenance	274
Utilities	1,317
Educational Materials	3,145
Other	2,436
Total Cash Disbursements	82,043
Total Receipts Over/(Under) Disbursements	84,684
Other Financing Receipts/(Disbursements):	
Funds Returned to Grantor	(28,146)
Total Other Financing Receipts/(Disbursements)	(28,146)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	56,538
Fund Cash Balances, January 1	54,774
Fund Cash Balances, December 31	\$111,312

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

**FAMILY AND CHILDREN FIRST COUNCIL
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
 AND CHANGES IN FUND CASH BALANCES - GOVERNMENTAL FUND TYPE
 FOR THE YEAR ENDED DECEMBER 31, 1997**

	Governmental Fund Type
	Special Revenue
Cash Receipts:	
Intergovernmental	\$92,030
Interest	546
	92,576
Total Cash Receipts	92,576
Cash Disbursements:	
Supplies	1,847
Travel	4,305
Salaries	22,039
Benefits	4,884
Contracted Services	32,229
Parent Services	1,356
Utilities	631
	67,291
Total Cash Disbursements	67,291
Total Receipts Over/(Under) Disbursements	25,285
Other Financing Receipts/(Disbursements):	
Funds Returned to Grantor	(9,457)
	(9,457)
Total Other Financing Receipts/(Disbursements)	(9,457)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	15,828
Fund Cash Balances, January 1	38,946
Fund Cash Balances, December 31	\$54,774

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

**FAMILY AND CHILDREN FIRST COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997**

1. DESCRIPTION OF THE ENTITY

Section 121.37, Revised Code, created the Ohio Family and Children First Cabinet Council and permitted Counties to establish County Family and Children First Councils. Statutory membership of a County Council consists of the following individuals:

- A. The Director of the Board of Alcohol, Drug Addiction, and Mental Health Services that serves the County, or, in the case of a County that has a Board of Alcohol and Drug Addiction Services and a Community Mental Health Board, the Directors of both Boards;
- B. The Health Commissioner of the Board of Health of each City or General Health District in the County, or their designees;
- C. The Director of the County Department of Human Services;
- D. The Executive Director of the County Agency responsible for the Administration of Children Services Pursuant to Section 5153.15 of the Revised Code;
- E. The Superintendent of the County Board of Mental Retardation and Developmental Disabilities;
- F. The County's Juvenile Court Judge senior in service;
- G. The Superintendent of the City, Exempted Village, or Local School District with the largest number of pupils residing in the County, as determined by the Department of Education, which shall notify each County of its determination at least biennially;
- H. A School Superintendent representing all other School Districts with territory in the County, as designated at a biennial meeting of the Superintendents of those Districts;
- I. A representative of the largest City in the County;
- J. The Chair of the Board of County Commissioners, or an individual designated by the Board;
- K. A representative of the regional office of the Department of Youth Services;
- L. A representative of the County's Head Start agencies, as defined in Section 3301.31 of the Revised Code;
- M. A representative of the County's Early Intervention Collaborative established pursuant to the federal early intervention program operated under the "Education of the Handicapped Act Amendments of 1986";
- N. At least three individuals representing the interests of families in the County. Where possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership.
- O. An Executive Director of a non-profit agency that funds, advocates, or provides services to children and families.

A County Family and Children First Council may invite any other local public or private agency or group that funds, advocates, or provides services to children to have a representative become a permanent or temporary member of the Council.

**FAMILY AND CHILDREN FIRST COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997
(Continued)**

1. DESCRIPTION OF THE ENTITY (Continued)

A County Council's statutory responsibilities include the following:

- A. Refer to the Cabinet Council those children for whom the Council cannot provide adequate services;
- B. Make periodic reports to the Cabinet Council regarding the number of children referred to the County Council and the progress made in meeting the needs of each child;
- C. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invents new approaches to achieve better results for families and children;
- D. Participate in the development of a County-wide, comprehensive, coordinated, multi-disciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the Department of Health for early intervention services under the "Education of the Handicapped Act Amendments of 1986";
- E. Maintain an accountability system to monitor the Council's progress in achieving its purposes;
- F. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the County system.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

B. Fund Accounting

The Council maintains its accounting records in accordance with the principles of fund accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions are reflected in a self-balancing group of accounts.

Special Revenue Funds

The Council maintains a separate special revenue fund for each program which is awarded to the Council that is either funded from local, state or federal sources and restricted for specific purposes. During 1997 and 1998, the Council had the following special revenue funds:

**FAMILY AND CHILDREN FIRST COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Ohio Wellness Block Grant Fund - 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 - 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 Stability Grant Fund - 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 - To account for state grant funds to be used for parental involvement, administrative support, or training.

C. Fiscal Agent

During the audit period January 1, 1997 through December 31, 1998, the Community Action Program Corporation of Washington-Morgan Counties, Ohio, served as fiscal agent for the Council. The Morgan County Commissioners served as administrative agent for the Council.

3. EQUITY IN POOLED CASH

The Washington-Morgan County Community Action Program Corporation maintains a cash pool for all funds, including those of the Family and Children First Council. The Ohio Revised Code prescribes the County's allowable deposits and investments. The Council's carrying amount of cash on deposit with the Washington-Morgan County Community Action Program Corporation at December 31, 1998, was \$111,312. The Council's carrying amount of cash on deposit with the Washington-Morgan County Community Action Program Corporation at December 31, 1997, was \$54,774. The Council is responsible for maintaining adequate depository collateral for all funds on deposit.

4. DEFINED BENEFIT PENSION PLANS

A. 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 contributions required through December 31, 1998.

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OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street
Athens Mall Suite B
Athens, Ohio 45701
Telephone 740-594-3300
800-441-1389
Facsimile 740-594-2110
www.auditor.state.oh.us

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

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

To the Family and Children First Council:

We have audited the financial statements of the Family and Children First Council, Morgan County, Ohio, (the Council) for the years ended December 31, 1998 and 1997, and have issued our report thereon dated July 7, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Council's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to the management of the Council in a separate letter dated July 7, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to the management of the Council in a separate letter dated July 7, 2000.

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 specific parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

July 7, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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 22, 2000**