

GOVERNOR'S CABINET ON CHILDREN AND FAMILIES

CHILDREN'S FUND

FOR THE PERIOD

JULY 1, 1994 - JUNE 30, 1995

WEST VIRGINIA LEGISLATURE  
Joint Committee on Government and Finance



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CHARLESTON, WEST VIRGINIA 25305

The Joint Committee on Government and Finance:

In compliance with the provisions of the West Virginia Code Chapter 5, Article 26, Section 6, as amended, we have examined the accounts of the Governor's Cabinet on Children and Families, Children's Fund.

Our examination covers the period July 1, 1994 through June 30, 1995. The results of this examination are set forth on the following pages of this report.

Respectfully Submitted,

  
Theoford L. Shanklin, CPA, Director  
Legislative Post Audit Division

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GOVERNOR'S CABINET ON CHILDREN AND FAMILIES

CHILDREN'S FUND

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GOVERNOR'S CABINET ON CHILDREN AND FAMILIES

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EXIT CONFERENCE

We held an exit conference on January 2, 1996 with the Director and other representatives of the Governor's Cabinet on Children and Families and the contents of the audit report were reviewed and discussed.

**GOVERNOR'S CABINET ON CHILDREN AND FAMILIES**

**CHILDREN'S FUND**

**INTRODUCTION**

The Children's Fund was created by the West Virginia Legislature under Senate Bill No. 1 during the Third Extraordinary Session of the 1990 West Virginia Legislature. The Legislature finds that the early years of life are a critical developmental and educational stage in the total life cycle and declares that parents are the children's first teachers and have the primary responsibility for meeting the needs and addressing the development of their children. However, families can experience severe crisis which result in life-threatening situations to children or other family members or can have long-term negative impact on the child. It is the intent of the Legislature, through the Governor's Cabinet on Children and Families, to emphasize preventative services to children and families in order to avoid the human and financial costs to the State caused by individual and family instability and to benefit the State and society as a whole.

The Children's Fund shall consist of any moneys deposited in the Children's Trust Fund created pursuant to Chapter 49, Article 6C, Section 1 of the West Virginia Code which was repealed by Senate Bill No. 1 and any interest accruing to such fund. Also, the Children's Fund shall consist of federal funds and grants, gifts, bequests or donations, any appropriated funds and voluntary contributions of a portion of refunds due taxpayers. The

Children's Fund is to be used by the Governor's Cabinet on Children and Families for any purpose required or authorized by the Cabinet.

In addition to such other administrative heads of government as the Governor may appoint to the Cabinet, the Cabinet shall include the Secretary of Health and Human Resources; the Secretary of Commerce, Labor and Environmental Resources or a designee; the Secretary of Administration or a designee; the State Superintendent of Schools; the Attorney General; and one member of the State Senate and one member of the House of Delegates, both to be appointed by the Governor, both to serve in an advisory capacity only. The Cabinet shall be chaired by the Governor and shall convene monthly during the first year and thereafter shall meet at least quarterly.

GOVERNOR'S CABINET ON CHILDREN AND FAMILIES

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CABINET MEMBERS

JUNE 30, 1995

The Honorable Gaston Caperton, Chair  
Governor . . . . . Charleston

The Honorable Darrell McGraw  
Attorney General . . . . . Charleston

Barbara Harmon-Schamberger  
Secretary, Department of Education and the Arts . . . Charleston

Gretchen O. Lewis  
Secretary, Department of Health and Human Resources . Charleston

Chuck Polan  
Secretary, Department of Administration . . . . . Huntington

Andy Richardson  
Commissioner, Bureau of Employment Programs . . . . . Charleston

Dr. Donald Weston  
University System of West Virginia . . . . . Charleston

Dr. Henry Marockie  
Superintendent, State Department of Education . . . . Charleston

Lyle Sattes . . . . . Charleston

ADVISORY

The Honorable Martha Walker  
West Virginia State Senate . . . . . Charleston

The Honorable Richard Browning  
West Virginia House of Delegates . . . . . Oceana

GOVERNOR'S CABINET ON CHILDREN AND FAMILIES

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ADMINISTRATIVE OFFICERS AND STAFF

Julie Pratt . . . . . Director  
Barbara Merrill . . . . . Deputy Director  
Nancy Malecek . . . . . Fiscal Officer  
Debbie Waller . . . . . Executive Secretary



GOVERNOR'S CABINET ON CHILDREN AND FAMILIES

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GENERAL REMARKS

INTRODUCTION

We have completed a post audit of the Governor's Cabinet on Children and Families, Children's Fund as required by Chapter 5, Article 26, Section 6 of the West Virginia Code, as amended. The audit covered the period July 1, 1994 through June 30, 1995.

SPECIAL REVENUE ACCOUNT

All expenditures for the programmatic operations of the Governor's Cabinet on Children and Families, Children's Fund are made from the Special Revenue Operating Fund Number 1011.

FEDERAL PROGRAMS ACCOUNT

All expenditures relating to the Federal program revenues received by the Governor's Cabinet on Children and Families, Children's Fund are made from the Federal Grants and Contracts Fund Number 8792.

## INDEPENDENT AUDITORS' OPINION

The Joint Committee on Government and Finance:

We have audited the statement of cash receipts, disbursements and changes in fund balance of the Governor's Cabinet on Children and Families, Children's Fund for the year ended June 30, 1995. The financial statement is the responsibility of the management of the Governor's Cabinet on Children and Families, Children's Fund. Our responsibility is to express an opinion on the financial statement based on our audit.

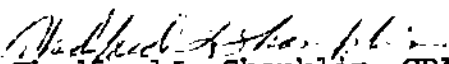
We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 described in Note A, the financial statement was prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenue collected and expenses paid by the Governor's Cabinet on Children and Families, Children's Fund for the year ended June 30, 1995 on the basis of accounting described in Note A.

Our audit was made for the purpose of forming an opinion on the basic financial statement taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

Respectfully submitted,

  
Theford L. Shanklin, CPA, Director  
Legislative Post Audit Division

November 14, 1995

Auditors: Michael E. Sizemore, CPA, Supervisor  
Larry D. Bowman

**GOVERNOR'S CABINET ON CHILDREN AND FAMILIES  
CHILDREN'S FUND  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCE**

	<u>Year Ended</u> <u>June 30, 1995</u>
<b>Cash Receipts:</b>	
Private Gifts and Other Donations	\$71,629.35
Federal Funds - U.S. Department of Health and Human Services	40,750.00
Interest	21,944.32
Other Transfers	<u>12,500.00</u>
	146,823.67
<b>Disbursements:</b>	
Current Expenses	19,928.92
Grants, Awards - Fund 1011	<u>52,677.37</u>
	<u>72,606.29</u>
 Cash Receipts Over Disbursements	 74,217.38
 Beginning Balance	 <u>443,120.93</u>
 Ending Balance	 <u>\$517,338.31</u>

See Notes to Financial Statement

GOVERNOR'S CABINET ON CHILDREN AND FAMILIES

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NOTES TO FINANCIAL STATEMENT

Note A - Accounting Policies

Accounting Method: The cash basis of accounting is followed. Therefore, certain revenue and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Note B - Fund Balance

The components of the fund balance were as follows:

	<u>June 30, 1995</u>
Cash	\$ 64,575.45
Investments	<u>452,762.86</u>
	<u>\$517,338.31</u>

GOVERNOR'S CABINET ON CHILDREN AND FAMILIES  
 CHILDREN'S FUND  
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND  
 CHANGES IN CASH BALANCE  
 SPECIAL REVENUE

	<u>Year Ended</u> <u>June 30, 1995</u>
<u>Children's Fund - Fund 1011</u>	
Cash Receipts:	
Private Gifts And Other Donations	\$70,363.49
Transfer from Investment Account	43,000.00
Transfer from Federal Grant Fund 8792	40,750.00
Other Transfers and Deposits	<u>12,500.00</u>
	166,613.49
Disbursements:	
Current Expenses	19,928.92
Grant Awards Fund 1011	52,677.37
Transfers to Investment Account (N011-01)	<u>121,140.32</u>
	<u>193,746.61</u>
Cash Receipts (Under) Disbursements	(27,133.12)
Beginning Balance	<u>91,708.57</u>
Ending Balance	<u>\$64,575.45</u>

**GOVERNOR'S CABINET ON CHILDREN AND FAMILIES**  
**CHILDREN'S FUND**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS**  
**AND CHANGES IN CASH BALANCE**  
**FEDERAL PROGRAMS**

	<u>Year Ended</u> <u>June 30, 1995</u>
<u>Federal Grants and Contracts - Fund No. 8792-999</u>	
Cash Receipts:	
Federal Funds - U.S. Department of Health and Human Services	\$40,750.00
Disbursements:	
Transfers to Children's Fund - Fund 1011	<u>40,750.00</u>
	0.00
Beginning Balance	<u>0.00</u>
Ending Balance	<u>\$0.00</u>

**GOVERNOR'S CABINET ON CHILDREN AND FAMILIES  
CHILDREN'S FUND  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BALANCE  
SPECIAL REVENUE**

	<u>Year Ended June 30, 1995</u>
<u>Investments - Account (N011-01)</u>	
Receipts:	
Transfers from Children's Fund - Fund 1011	\$121,140.32
Direct Contributions	1,265.86
Interest	<u>21,944.32</u>
	144,350.50
Disbursements:	
Transfer to Children's Fund - Fund No. 1011	43,000.00
Miscellaneous	<u>0.00</u>
	<u>43,000.00</u>
Cash Receipts Over Disbursements	101,350.50
Beginning Balance	<u>351,412.36</u>
Ending Balance	<u>\$452,762.86</u>

GOVERNOR'S CABINET ON CHILDREN AND FAMILIES

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RECONCILIATIONS

JUNE 30, 1995

Children's Fund - Fund 1011

Balance per Agency	\$64,575.45
Add: Fund Balance of Other Programs	
Early Childhood	0.00
Family Matters	0.00
Paternity/Day Care	6,291.41
Parents as Teachers	<u>0.00</u>
Balance per State Treasury	<u>\$70,866.86</u>



STATE OF WEST VIRGINIA

OFFICE OF THE LEGISLATIVE AUDITOR, TO WIT:

I, Thedford L. Shanklin, CPA, Director of the Legislative Post Audit Division, do hereby certify that the report of the audit appended hereto was made under my direction and supervision, under the provisions of the West Virginia Code, Chapter 5, Article 26, Section 6, as amended, and that the same is a true and correct copy of said report.

Given under my hand this 10<sup>th</sup> day of June, 1996.

*Thedford L. Shanklin*

Thedford L. Shanklin, CPA, Director  
Legislative Post Audit Division

Copy forwarded to the Secretary of the Department of Administration to be filed as a public record. Copies forwarded to each member of the Governor's Cabinet on Children and Families; Director of the Governor's Cabinet on Children and Families; and, State Auditor.