



**Auditor of State
Betty Montgomery**

**FAMILY AND CHILDREN FIRST COUNCIL
WYANDOT COUNTY**

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**Auditor of State
Betty Montgomery**

Family and Children First Council
Wyandot County
137-D South Sandusky Avenue
Upper Sandusky, Ohio 43351

To the Family and Children First Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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Betty Montgomery
Auditor of State

June 30, 2005

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council
Wyandot County
137-D South Sandusky Avenue
Upper Sandusky, Ohio 43351

To the Family and Children First Council:

We have audited the accompanying financial statements of the Family and Children First Council, Wyandot County, Ohio, (the Council) as of and for the years ended December 31, 2004, and December 31, 2003. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Council has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Council to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Council does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Council has elected not to reformat its statements. Since this Council does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council as of December 31, 2004, or their changes in financial position for the year then ended.

Also, 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, Wyandot County, Ohio, as of December 31, 2004, and December 31, 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Council to include Management's Discussion and Analysis for the year ended December 31, 2004. The Council has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2005, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

June 30, 2005

**FAMILY AND CHILDREN FIRST COUNCIL
WYANDOT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Grants	\$33,800	\$52,471	\$86,271
Other Receipts	13,095	0	13,095
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	46,895	52,471	99,366
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Salaries	17,196	20,600	37,796
Travel & Expenses	1,579	470	2,049
Retirement	0	4,699	4,699
Medicare	0	510	510
Insurance	0	10,222	10,222
Workmen's Compensation	2,348	0	2,348
Purchased Service	8,054	2,294	10,348
Supplies	2,481	3,797	6,278
Equipment	170	5,054	5,224
Other Disbursements	527	339	866
	<hr/>	<hr/>	<hr/>
Total Disbursements	32,355	47,985	80,340
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over Cash Disbursements	14,540	4,486	19,026
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1, 2004	25,267	31,524	56,791
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31, 2004	<u>\$39,807</u>	<u>\$36,010</u>	<u>\$75,817</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
WYANDOT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Grants	\$34,764	\$67,870	\$102,634
Other Receipts	19,046	0	19,046
	<u>53,810</u>	<u>67,870</u>	<u>121,680</u>
Total Cash Receipts			
	<u>53,810</u>	<u>67,870</u>	<u>121,680</u>
Cash Disbursements:			
Salaries	26,631	0	26,631
Travel & Expenses	1,129	0	1,129
Retirement	0	3,624	3,624
Medicare	0	355	355
Insurance	0	8,518	8,518
Workers Compensation	0	244	244
Advertising and Printing	0	1,894	1,894
Parent Involvement	13,275	14,809	28,084
Purchased Service	1,793	21,470	23,263
Supplies	3,177	194	3,371
Other Disbursements	2,637	0	2,637
	<u>48,642</u>	<u>51,108</u>	<u>99,750</u>
Total Disbursements			
	<u>48,642</u>	<u>51,108</u>	<u>99,750</u>
Total Cash Receipts Over Cash Disbursements	5,168	16,762	21,930
Fund Cash Balances, January 1, 2003	<u>20,099</u>	<u>14,762</u>	<u>34,861</u>
Fund Cash Balances, December 31, 2003	<u><u>\$25,267</u></u>	<u><u>\$31,524</u></u>	<u><u>\$56,791</u></u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Section 121.37 of the Ohio 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 director 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 municipal corporation with the largest population in the county;
- j. The chair of the board of county commissioners or an individual designated by the board;
- k. A representative from the regional office of the Ohio 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 per cent of the council's remaining membership;
- o. A representative of the local nonprofit entity that funds, advocates or provide services to children and families.

**FAMILY AND CHILDREN FIRST COUNCIL
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. 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 countywide, comprehensive, coordinated, multi-disciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the department of health for early intervention services under the "Education of the Handicapped Act Amendments of 1986";
- 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.

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This accounting basis is similar to the cash receipts and disbursements basis. The Library 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 Auditor of State prescribes or permits.

C. Fund Accounting

The Council uses fund accounting to segregate cash that is restricted as to use. The Council classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

**FAMILY AND CHILDREN FIRST COUNCIL
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Wellness Block Grant Fund - This fund receives state grant money to provide community based programs of prevention services to reduce the rate of births to teens, and to develop programs for child abuse and neglect prevention.

Partnership for Success Grant Fund – This fund receives state grant money to provide programs to promote positive child and adolescent development, strengthen families, and respond more effectively to child and adolescent problem behaviors.

D. Fiscal Agent

The Wyandot County Board of Commissioners is the Council's fiscal agent. Council funds are maintained in separate agency funds at the county.

E. Budgetary Process

Ohio Revised Code requires the Council to submit an expenditure budget annually to its administrative agent, the county auditor, and the board of county commissioners. The Council adopted a budget at the object level.

A summary of 2004 and 2003 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN POOLED CASH

The Wyandot County Treasurer maintains a cash pool used by all of the county's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the county at December 31, 2004, and December 31, 2003, was \$75,817 and \$56,791, respectively. The Wyandot County Treasurer, as fiscal agent for the County and also the Council, is responsible for maintaining adequate depository collateral for all funds in the county's pooled and deposit accounts.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2004, and December 31, 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$51,920	\$46,895	(\$5,025)
Special Revenue	58,080	52,471	(\$5,609)
Total	\$110,000	\$99,366	(\$10,634)

**FAMILY AND CHILDREN FIRST COUNCIL
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2004 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$58,430	\$32,355	\$26,075
Special Revenue	72,933	47,985	24,948
Total	<u>\$131,363</u>	<u>\$80,340</u>	<u>\$51,023</u>

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$119,621	\$53,810	(\$65,811)
Special Revenue	151,015	67,870	(\$83,145)
Total	<u>\$270,636</u>	<u>\$121,680</u>	<u>(\$148,956)</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$149,131	\$48,642	\$100,489
Special Revenue	84,616	51,108	33,508
Total	<u>\$233,747</u>	<u>\$99,750</u>	<u>\$133,997</u>

4. RETIREMENT SYSTEM

The Public Employees Retirement System of Ohio (PERS) is a state operated, cost-sharing, multiple employer public employee retirement system. PERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. PERS also provides survivor and disability benefits to vested employees.

Contribution rates are also prescribed by the Ohio Revised Code. For 2004 and 2003, the Coordinator contributed 8.5% of her gross salary. The Council contributed an amount equal to 13.55% of the Coordinator's gross salary. The Council has paid the contributions required through December 31, 2004.

5. IN-KIND CONTRIBUTIONS

Wyandot County donated free rent to the Council in 2004 and 2003.

6. RISK MANAGEMENT

Insurance for comprehensive property and general liability is provided by Wyandot County.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Family and Children First Council
Wyandot County
137-D South Sandusky Avenue
Upper Sandusky, Ohio 43351

To the Family and Children First Council:

We have audited the financial statements of the Family and Children First Council, Wyandot County, Ohio, (the Council) as of and for the years ended December 31, 2004, and December 31, 2003, and have issued our report thereon dated June 30, 2005, wherein we noted the Council followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

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, providing an opinion 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*.

Family and Children First Council
Wyandot County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the finance committee, management, and the Council. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 30, 2005



**Auditor of State
Betty Montgomery**

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WYANDOT FAMILY AND CHILDREN FIRST COUNCIL

WYANDOT 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
SEPTEMBER 13, 2005**